

Senator Asks That CIA Use Spying to Aid U.S. Industry

By Paul F. Horvitz
International Herald Tribune

WASHINGTON — An influential U.S. senator who will soon help oversee the Central Intelligence Agency wants it to take a more active role in global industrial espionage, even to the point of passing secretly obtained foreign contract bids to U.S. companies.

The senator, Dennis DeConcini, Democrat of Arizona, will become chairman next month of the Senate Select Committee on Intelligence, which has oversight responsibility for the CIA and its budget.

In an interview taped this week for a public television program called "TechnoPolitics," Mr. DeConcini did not advocate "aggressive" undercover work by U.S. spies or unprovoked targeting of foreign companies.

Rather, he said, the federal government should be prepared to help its domestic companies if competitive information became available and should be ready to retaliate for spying against U.S. economic interests.

Mr. DeConcini was presented with a hypothetical case in which information about a secret contract bid by Europe's jetliner consortium, Airbus Industrie, accidentally fell into the hands of U.S. agents. Asked if the CIA should pass the information to a competing U.S. manufacturer, such as Boeing, the senator said, "Yes."

"You'd be just a fool if you didn't," Mr. DeConcini said. Even if there is no national security threat, he said, the information should be passed on, "particularly if the Airbus people have done something, or you suspect they've done something, clandestinely."

The senator also raised the possibility of seeking changes in laws that govern the CIA and in U.S. antitrust laws to remove barriers "so we can be competitive."

Speaking again in hypothetical terms, Mr. DeConcini said: "Say our CIA or some intelligence gathering can find out what the Bull company in France is doing on some high-technology that isn't related to defense work, some high-technology communication system or something."

"We go in and get it. Now we have it. Who do we give it to? Under our antitrust laws, you run into all kinds of problems. And we have several companies that are in that kind of business. Do you give it to just one? If you share with all of them, they may be in antitrust violation just by sharing it with them."

Although the senator said he was bothered "a lot" by the concept of having the CIA involved in industrial spying, he added: "I think we have to be realistic. That's what's happening in the world. We may not like what's happening in the world, but we can't afford to just sit back and say, 'Hey, we're not going to do it because our laws on antitrust won't let us do it.'"

In a separate interview Wednesday, Mr. DeConcini stressed that the examples of Airbus and Bull were strictly hypothetical.

He said foreign industrial espionage against U.S. companies was "substantial" and that he would not press for any changes until he knew where the incoming Clinton administration stood.

The United States, he said, should stop foreign economic spying by preparing to confront governments that are doing it or "play the game and get it for your competitive businesses."

R. James Woolsey Jr., who was nominated Tuesday to become head of the CIA under Bill Clinton, will be questioned on the subject when he appears at a confirmation hearing before

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Aspin's Forte: A Fascination With Military

By Michael R. Gordon
New York Times Service

WASHINGTON — In selecting Les Aspin to be his secretary of defense, Bill Clinton has picked a military specialist who favors further cuts in Pentagon spending but will also fortify the new administration's inclination to intervene in the fighting in Bosnia.

By all accounts, Representative Aspin's strength is his fascination with military issues. In recent years, as chairman of the House Armed Services Committee, he has thought hard about the future of the Pentagon, the question of military intervention, and about

Profiles of the new secretary of state, CIA chief and national security adviser, Page 3.

how to put the weapons industry to civilian use. He knows the ins and outs of the budget process in the Pentagon and on Capitol Hill.

And along with Senator Sam Nunn, Democrat of Georgia, chairman of the Senate Armed Services Committee, Mr. Aspin counseled Mr. Clinton on military issues during the presidential campaign.

But Mr. Aspin has no experience in managing a large, multimillion-dollar organization. And he will assume his post without the close working relationship Secretary Dick Cheney forged with General Colin L. Powell, the chairman of the Joint Chiefs of Staff.

General Powell, 63, is wary of the limited use of U.S. troops abroad for political or diplomatic purposes, has differed sharply with Mr. Aspin on the question of military intervention in the Balkans.

The Wisconsin Democrat began his career as a military specialist, working for Defense Secretary Robert S. McNamara in the Johnson administration in the Office of Systems Analysis after earning a doctorate in economics at the Massachusetts Institute of Technology.

Running against the war in Vietnam, he was elected to the House in 1970 at the age of 32 and assumed a place on the House Armed Services Committee.

He quickly became a Pentagon gadfly, issu-

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A Sarajevo parishioner on Wednesday visiting her church, destroyed by Serbian gunners. The church is about 300 meters from the front line of fighting.

Yugoslav General Tells of Plan to Resist Intervention

By Chuck Sudetic
New York Times Service

BELGRADE — The Yugoslav Army's top general warned in an interview published here Wednesday night that his forces have already laid plans to resist militarily any international armed intervention against Bosnia-Herzegovina's Serbs.

In the interview with the *Borba* daily, the army's chief of staff, General Zivota Panic, said that "although any foreign intervention on the territory of the former Socialist Federated Republic of Yugoslavia would be extremely illogical and carry with it the risk of spreading the flames of war across the whole continent of Europe and beyond, the Yugoslav Army has for a long time been ready to turn its armed forces against eventual aggression."

"The basic goal of such action, even under the formal auspices of the United Nations, would be the biological destruction of the Serbian people wherever they reside," the general said.

"I personally feel," he added, "that the Yugoslav Army cannot stand on the sidelines if the biological survival of the Serbian people in Bosnia-Herzegovina is jeopardized."

Yugoslavia's president, the army's commander in chief, would have to approve any Yugoslav military operations outside the rump Yugoslav state, the general said. Yugoslavia now consists only of Serbia and Montenegro.

General Panic's warning comes as Serbian leaders here released a flood of rhetoric clearly aimed at holding off calls in the West to begin enforcing an air exclusion zone over Bosnia-Herzegovina following the victory of

Serbia's president, Slobodan Milosevic, and other militant nationalists in elections on Sunday, which international observers have condemned as grossly unfair.

The general's statement echoes the defiant nationalism Mr. Milosevic spouted in public appearances during his election campaign, lending support to rumors that the army has sided with the Serbian president since his "electoral" victory.

The North Atlantic Treaty Organization

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back, as if he himself had been fatally weakened in the Gaidar debacle, sources said.

The four ministers who have to be approved — foreign, defense, internal affairs and security — also have been held over from the previous cabinet.

One of the new deputy prime ministers, Yuri Yarov, was selected from the parliament, where he served as deputy to Ruslan I. Khasbulatov, the chairman and a key opponent of Mr. Yeltsin and the Gaidar team. While some reports described him as a conservative, selected to appease the legislative opposition, he had instead been one of the few people in parliament willing to work with Mr. Yeltsin and his government and likely was selected for that reason.

Mr. Yeltsin also finds himself without three of the most liberal advisers who played key roles in shaping the first year of his rule since the breakup of the Soviet Union. They are Mr. Gaidar, Gennadi E. Burbulis, a key political adviser whom Mr. Yeltsin fired under pressure from parliament; and Mikhail Poltorin, a close friend and colorful former journalist who resigned as information minister several weeks ago after a public feud with Mr. Khasbulatov. He will be replaced by another outspoken liberal, Mikhail Fedotov.

The one liberal who will leave the cabinet is Pyotr O. Aven, who was in charge of negotiating with Western creditor nations on postponement of Russia's debt. But Mr. Aven, who resigned yesterday to avoid being fired, will be replaced by his former first deputy, Sergei Glazyev, whom Aven supported for the job. Mr. Shokin will take over the debt talks, officials here said.

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CHRONICLE OF AN ICY EXILE — A Palestinian deported by Israel keeping a diary near his tent in the encampment for 415 exiles in southern Lebanon. They are settling in despite freezing winds, but are said to be short of drinking water. Page 6.

Warsaw Firm Against Miners

WARSAW (NYT) — Prime Minister Hanna Suchocka said Wednesday that her government would stand firm against striking coal miners and rail workers.

She told foreign journalists that satisfying the wage demands would undo three years of progress in Poland's transition to capitalism. The strike began Dec. 14.

"This government has been open to talks and open to compromise, but there are limits," she said. "We cannot allow a compromise to consist of losing control over inflation and opening a factory for printing money."

General News: China orders the closure of the French Consulate in Guangzhou. Page 5.

Business/Finance: France moved Aerospace and Dassault closer to a merger. Page 11.

Science: How orchids manage to find their mates. Page 7.

Crossword: Page 18.

Dow Jones	Down 7.56	Trib Index	Down 0.42%
New York	3,313.54		92.48
The Dollar			
New York	1.5923	West coast	1.5885
DM	1.5265		1.5365
Pound	123.80		123.70
Yen	5.442		5.422

Yeltsin Names a Cabinet, Preserving a Liberal Bent

By Fred Hiatt
and Margaret Shapiro
Washington Post Service

MOSCOW — President Boris N. Yeltsin and his new cabinet prime minister, rebuffing strong conservative pressure, named Wednesday that preserves the core of the previous Russian government and even adds new liberals.

The new government appeared to reflect Mr. Yeltsin's determination to pursue a free-market system despite mounting opposition in parliament. Conservative pressure last week forced Russia's first elected president to dismiss his prime minister, Yegor T. Gaidar, calling into question Mr. Yeltsin's political strength and his commitment to further change.

But Wednesday, Mr. Yeltsin reappointed his liberal foreign minister, Andrei V. Kozyrev, and all but one of the team of free-market advocates who had been considered close to Mr. Gaidar, according to a government list.

The president named Boris Fyodorov, a liberal who most recently worked in London for the European Bank of Reconstruction and Development, to be deputy prime minister in charge of financial and economic policy.

Overall, Mr. Yeltsin made many fewer changes than had been demanded by centrist politicians and some industrialists lobbies.

Mr. Yeltsin called short a visit to China on Saturday, saying he feared his new prime minister, Viktor S. Chernomyrdin, a former Soviet gas minister strongly supported by parliamentary conservatives, was forming a cabinet that excluded the Gaidar team. The president was furious that his opponents appeared to be dividing the spoils of government behind his

back, as if he himself had been fatally weakened in the Gaidar debacle, sources said.

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Gak: Slimy, Smelly and Wildly Popular

By Joel Garreau
Washington Post Service

WASHINGTON — For toy makers trying to invent a new plaything for Christmas, this is the stuff of dreams:

In July, Mattel Inc. shipped a strange and gooey new play substance called Gak.

Last month, its popularity had gotten so out of control at a Washington-area school rue by Benedictine nuns that it was banned.

"The kids were stretching it from one corner of the room to the other, over each other's heads. They were bouncing it and throwing it. Every child was going for it," said a second-grade teacher, Angie Ashley, who imposed the Gak-out. "It gets cold. It feels weird. They wouldn't put it away. It was getting so that homework wasn't a real good experience."

With the help of Gak, prepubescent are returning to that oddly primal American cultural tradition: a substance that freaks out Mom.

"Bart Simpson would like this," said Istar Schwager, an educational psychologist, of the new compound, which has the consistency of raw liver. Even Peggy Charren, founder of the watchdog agency Action for Children's Television, is sanguine. "It's a better mess than most programs on television," she said.

The jiggly, gross, stretchy, slippery, icky, and strangely addictive substance smells like the butt end of a bad bottle of wine, feels like oysters, and comes in nine strikingly bright colors. The Wal-Mart retail chain sold more than 160,000 units in six weeks at \$3 a pop. Gak is outselling Silly Putty, Turtle Ooze, the Bunsen figures and Crash

Dummies, according to Mattel, one of the world's largest toy manufacturers and marketers.

What goes into the creation of such a new icon of play reveals a great deal about recent American history, psychology and capitalism.

Making castles out of sand — not to mention pies out of mud — doubtless predates human time, as has flinging carrot porce at one's sister. But nobody made serious money off weird goo until 1950. That is when Peter Hodgson invented \$147 in a failed rubber substitute that he christened Silly Putty. When Mr. Hodgson died in 1976, he left an estate of \$140 million.

Play-Doh and finger paints also were sensuous staples of the Baby Boom's childhood. But those were basically craft materials. Only recently have toy makers focused on goo for its own sake.

In hindsight, the market potential was obvious. Kids "are just discovering their sensory systems," noted James C. McNeal, a behavioral scientist who has studied play for 25 years. "It doesn't matter if it is rough or smooth. They just simply have a strong sentence need."

Mattel prefers to be mysterious about that most-asked Gak question: "What is this stuff, anyway?"

However, Keith Flohr, manager of analytic services at Artech Corp., a testing laboratory in Chantilly, Virginia, analyzed a sample at the request of The Washington Post. Mr. Flohr believes Gak, which is not available outside the United States, is an ingenious array of acrylic and silicone with a few odds and ends like clay thrown in.

It is undigestible, Mr. Flohr says, so that when tykes inevitably nibble at it, it goes right through them.

U.S. Is Ready To Transfer Somali Aid to UN Control

Marine-Led Operation Is Ahead of Schedule, Field Commander Says

By Eric Schmitt
New York Times Service

KISMAYU, Somalia — With the U.S.-led relief operation more than three weeks ahead of schedule, the senior field commander said Wednesday that he was preparing to turn over control of the humanitarian effort to a multinational force.

Lieutenant General Robert B. Johnston did not say when the transfer to a United Nations peacekeeping force might happen. Coalition forces must still secure four more food distribution centers and then expand into surrounding rural villages that have been terrorized by marauding gangs.

"We could very well have patrols or a temporary presence of military forces in some of these places to create a security environment," General Johnston said. "It's a very dynamic environment and we'll be working closely with the relief agencies to address their needs."

The general's military timetable may run into political obstacles. The UN secretary-general, Boutros Boutros Ghali, on Monday turned down a U.S. request to start planning for a new force to take over the safeguarding of relief convoys as the U.S. troops withdraw.

Mr. Boutros Ghali has criticized the United States for being reluctant to fully disarm the

A mine kills a U.S. Army employee, Page 6.

warring factions. Some U.S. officials, though, said they believed Mr. Boutros Ghali was trying to squeeze as much as possible out of the U.S. forces before they withdrew.

U.S.-led forces plan to seize two cities, Bardera and Oddur, by Friday, and Giallasi and Belet Uen next week to establish food distribution centers in eight regions of southern Somalia, where the famine has hit hardest. The other centers are Mogadishu, Bale Dogel, Baidoa and Kismayu.

General Johnston refused to say when the countryside might be secured, but other military officials said it could be as soon as early next month. In addition, U.S. forces have established a logistical pipeline, a communications network and an informal committee to coordinate with UN and private relief agencies. General Johnston said they could be readily turned over to a UN command.

The general, who is commander of the 1st Marine Expeditionary Force at Camp Pendleton, California, will ultimately control about 20,000 U.S. forces and as many as 20,000 troops from other nations.

He said he supported the creation of a permanent international force ready to respond quickly to emergencies such as the Somali crisis. General Johnston said such a force under UN control made military sense because it would allow commanders to deploy earmarked units from various countries to crises quickly, rather than wait for a military coalition to form.

"I'd support a United Nations organization that would be prepared to operate as a force to handle contingencies like this," he said during a flight and visit to this equatorial town that the Marines and Belgian commandos secured Sunday.

"From an operational standpoint, it always makes sense to have a force in place that's trained and worked together," he said. "But having a force like that also implies that the countries contributing to it will commit troops to all events. That could prove difficult to sell politically."

International relief organizations criticized the United Nations and the United States for not taking more aggressive action to help end a famine that at its worst claimed more than 300 starvation victims a day in some towns.

In his visit Wednesday, General Johnston met with the commander of Belgian forces, Colonel Marc Jacquan, and Colonel Evan Goodis of the 10th Mountain Division.

U.S. commanders will assume control of the military operation in Kismayu from the Belgian forces on Thursday. Lieutenant Colonel Bob Thompson, the chief U.S. military liaison to the Belgian forces, said Kismayu's militia leader, Colonel Omar Jess, had agreed to move about 40 armed vehicles and most of his soldiers to a compound 20 miles (32 kilometers) away.

The move of "technicals" — souped up jeeps armed with anti-aircraft or machine guns — follows a similar agreement by Mogadishu's two warlords to move their heaviest weaponry

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Allies Split on 'No-Fly' Zone

Europeans, With Troops on Ground, Urge Restraint

Reuters
UNITED NATIONS, New York — The United States and its European allies are split over how much firepower should be used to stop Serb aircraft flying over Bosnia-Herzegovina, despite a reported weekend agreement between President George Bush and Prime Minister John Major of Britain.

One U.S. official said Wednesday that "positions were still entrenched" between the Europeans and the United States on a Security Council resolution enforcing a "no-fly" zone. Diplomats listed three areas of contention:

- The United States wants the right to bomb airports controlled by the Serbs. Britain and France, who have troops in Bosnia, want firepower limited to aircraft in the sky.

- The Europeans want a deadline or warning period of 21 to 30 days before the resolution comes into force while Washington wants less than a week.

- France, and possibly Britain, wants a provision in the resolution saying action should be taken under the

authority of Secretary-General Boutros Boutros Ghali. The United States finds this too restrictive. Drafters of the resolution — the United States, Britain, France, Belgium and Russia — had expected adoption of the measure this week but admitted this was highly unlikely. They now hope differences will be resolved next week.

In Washington, the State Department spokesman, Richard A. Boucher, explained that the United States wants "a resolution that has broad enforcement powers."

The Security Council established a ban on military aircraft over Bosnia-Herzegovina on Oct. 9 with a view to instituting enforcement measures. A total of 337 helicopters or warplanes have violated the exclusion zone since then, most of them flown by Bosnian Serbs.

The United Nations on Wednesday reported seven new violations from Thursday to Saturday of the zone. In Paris, President Francois Mitterrand's office denied a French state radio report that the president had approved the principle of French air attacks in the former Yugoslavia if called for by the United Nations.

WARNING: Yugoslav General Promises Resistance

(Continued from page 1)

sent the United Nations plans Wednesday for the enforcement of the no-fly zone over Bosnia-Herzegovina, whose Muslim Slavs, Croats and Serbs have been engulfed in war since late March.

The United States has strongly supported enforcement of the exclusion zone. The UN Security Council is expected to take up an enforcement resolution soon.

Although Muslim Slav and Croatian forces have used crop dusters and helicopters to deliver weapons to forces in Bosnia-Herzegovina, Serbian airplanes, including fixed-wing aircraft, have clearly been responsible for most violations of the exclusion zone, which took effect Oct. 9.

forcement of the no-fly zone is utterly unnecessary because there are no combat flights, because it is a violation of international law and because it represents an act of hostility against the Serbian people."

The Bosnian Serbs may call for the removal from Bosnia-Herzegovina of all troops from NATO nations attached to the UN force in the country because NATO has made plans to enforce the no-fly zone, Mr. Karadzic said.

"The countries that belong to NATO have already declared themselves as hostile to the Serbian people," he said. "This is why the UN forces from the NATO countries should be replaced by the forces of those countries that are

not launching propaganda for military intervention and thereby prove their impartial neutrality."

The United Nations forces in Bosnia-Herzegovina include French, British, Dutch, French, Spanish and Canadian troops.

"I really have difficulty believing that the Serbs could shoot at their long-time allies," Mr. Karadzic said when asked if the Serbs would shoot at American troops if they were dispatched to Bosnia. "But Cain and Abel were much closer than the Serbs and Americans."

"They are playing an increasingly desperate game," a Western diplomat said. "They've heard threats coming at them and responded with threats of their own," he said.

Pressure for Bosnia Intervention Rises in France

By William Drozdiak

Washington Post Service

PARIS — A wave of popular and political pressure is prodding Francois Mitterrand to make France the first Western country directly involved in efforts to halt further aggression by Serbs against Bosnian Muslims.

Intellectuals have embraced the cause of direct military intervention in the Balkan conflict with the old fervor of their protests against the Vietnam War. With a recent poll showing that 68 percent of French voters now demand military intervention, politicians from all sides are saying their consciences have finally spurred them to rush to the defense of Bosnian Muslims.

A rare bipartisan appeal signed by prominent ruling Socialists and opposition conservatives was sent to Mr. Mitterrand on Tuesday urging that France issue an ultimatum to Serbian leaders to lift the siege of Sarajevo and other Bosnian cities, abolish the deten-

tion camps and abandon their policy of expelling non-Serbs from Serbian-held areas.

If the ultimatum is not obeyed, the politicians called on "France and other democratic states worthy of the name to launch aerial bombardments on all Serbian military targets, in Bosnia and elsewhere" in order to compel the Serbian leaders to comply with United Nations resolutions.

The bellicose French stand toward Serbia, which historically has been a close French ally, is in sharp contrast to the reticence about direct military involvement shown by other European countries.

Within the European Community, Britain, which has deployed 2,400 peacekeeping troops in Bosnia, fears that military moves against the Serbs could trigger retaliatory action, such as hostage-taking, against its forces on the ground.

Germany has also balked at sending troops to foreign territory. Though Chancel-



Radovan Karadzic, leader of the Bosnian Serbs, at his news conference Wednesday in Belgrade.

Foreign Minister Roland Dumas said that beyond enforcement of the air exclusion zone, the international community must proceed quickly "to take all necessary steps to liberate the detention camps." Both the United States and Britain have shied away from that mission because of the dangers involved.

But with French forces stretched to the limit by UN peacekeeping missions on three continents, senior military officials say large-scale military intervention can only come with a substantial troop commitment by the United States.

"If the United States can be persuaded to send troops, then the Brits will join and we can think seriously about taking control of enough territory to provide safe havens around Sarajevo and other cities," an official said. "Otherwise, we are going to end up with a Palestinian-type situation in the middle of Europe."

"We are now prepared to become more actively engaged, politically and militarily, than any other Western state," a senior French official explained. "But how far we go does not depend only on political will but also on military potential."

France Cracking Down On Drug Traffickers

By Barry James

International Herald Tribune

PARIS — With European frontier controls scheduled to come down next week, France has announced that it will intensify crack-down on the usage and trafficking of illegal narcotics.

Political sources said the government was concerned that the flow of narcotics into the country would increase once frontier controls were lifted, particularly from the Netherlands, which tolerates the consumption of hashish and other so-called soft drugs.

But legal and medical experts said the plan was aimed more at political grandstanding — with a general election three months away — than at tackling the narcotics problem effectively.

Although Europe's single market officially begins Jan. 1, there has been no attempt to coordinate action in the fight against narcotics. Policies vary widely from country to country. Some make a distinction between "hard" and "soft" drugs. Others do not. Some prosecute drug addicts as well as traffickers while others concentrate on treatment.

The removal of frontier controls is likely to mean that European police forces will step up internal controls. Common action against drug trafficking and other cross-frontier crimes is envisaged through a new coordinating body called Europol.

Interior Minister Paul Quilès said this week that the attack on drugs would focus on tracking down street dealers and dismantling networks of trafficking.

"France has only one attitude toward this worldwide scourge called drugs — firmness," Mr. Quilès said.

"It's absurd," said Alain Labrousse, editor of a drug-weekly newsletter called "The Geopolitical Drug Dispatch." "The big traffickers are going to be delighted because all this is going to do is sweep the small dealers off the streets — they are quickly replaced anyway — and drive up the price of drugs," he said.

Mr. Labrousse said that with high unemployment and social marginalization, new street dealers would quickly come forward to replace those arrested, and that France's crowded jails would become even fuller. He said that the country needs more education and facilities for treatment rather than greater repression.

Mr. Quilès said he opposed giving addicts methadone to break their heroin habit, because he said it merely replaced one dependency with another. Health Minister Bernard Kouchner recently said he planned to step up methadone programs.

Mr. Quilès said the distribution of syringes to drug addicts, a measure aimed at preventing the transmission of AIDS, should be carried out only under the most limited and rigorous circumstances.

The new measures call for the setting up of special narcotics squads in every police district that will carry out "very targeted, very offensive" operations against trafficking networks, Mr. Quilès said.

Mr. Quilès ruled out any possibility of legalizing soft drugs.

WORLD BRIEFS

Illegal Coal-Mine Smoking Suspected

WASHINGTON (NYT) — Cigarette smoking and tampering with safety equipment might have caused the explosion that killed eight coal miners in southwestern Virginia this month, according to government investigators.

The head of the federal Mine Safety and Health Administration, William J. Tattersall, said that he and the Virginia Division of Mines had only begun their investigation but that cigarettes, cigarette butts and lighters had been found "on and around the explosion victims."

Federal and state regulations prohibit miners from bringing smoking materials into a mine, and mine management is held partly responsible if they do so. Mr. Tattersall also said that a device in the mine intended to detect explosive levels of methane gas had been deactivated.

Iraq Rebuffs UN on Kurd Aid Escort

BAGHDAD (Reuters) — Iraq rejected a United Nations request to allow UN guards to escort trucks carrying aid to Kurds through government-held territory, a UN official said Wednesday. The relief operation in northern Iraq was suspended on Saturday after aid trucks were bombed.

Colin Mitchell, acting deputy coordinator at the UN-Iraq Coordination Unit, declined to say what action Secretary-General Boutros Boutros Ghali would take as a result of Iraq's rejection.

The trucks have been forced to make detours through government-held territory because winter conditions have made minor roads through Kurdistan impassable, Iraq said that the latest pact with the UN only allows for the posting of guards in Kurdish-held areas.

Manila Rebel Agrees to Peace Talks

MANILA (Reuters) — A longtime military rebel, Gregorio Honasan, emerged Wednesday from four years in hiding to sign an agreement for formal peace talks with the government next month, a private radio station said.

The military has linked the former colonel to three of six coup attempts made against the former president, Corason C. Aquino. Station DZRH said Mr. Honasan, along with two other rebel military officers involved in previous uprisings, signed a preliminary agreement for talks. He had been in hiding since April 1988 after escaping from a prison ship moored in Manila Bay.

President Fidel V. Ramos said the decision by the plotters to end hostilities and start talks moved forward his efforts to bring political stability to the Philippines — a key requirement for economic revival.

Economist to Form Sofia Cabinet

SOFIA (Reuters) — President Zhelyu Zhelev has asked an economist nominated by the Bulgarian ethnic Turkish party to form a new government in a bid to end two months of political stalemate, the president's office said Wednesday.

Lyuben Berov, Mr. Zhelev's economic adviser, was nominated for prime minister by the Movement for Rights and Freedoms on Tuesday after attempts by parliament's two largest parties failed.

Mr. Berov, 67, who has seven days to appoint a new cabinet, is not himself a member of Bulgaria's one million-strong Turkish minority. He is a member of the moderate wing of the Union of Democratic Forces, the biggest party in parliament. Western diplomats described him as an "intellectual theoretician." He said he hoped to form a new government of technocrats able to carry out a pragmatic program.

Miyazawa Lags in Spite of Reshuffle

TOKYO (AFP) — Reshuffling his cabinet has not bolstered troubled Japanese prime minister, Kiichi Miyazawa. The first poll since his broad shakeup showed that his public support has sunk a new low. The Asahi Shinbun said Wednesday that support for the new Miyazawa cabinet had plunged to 20 percent, a 13-point decline from the previous survey in September and the lowest for any cabinet he has led.

It was the first poll since a Miyazawa cabinet reshuffle earlier this month that replaced all ministers except the foreign and farm portfolios. The reshuffle was carried out amid scandals involving the ruling party.

The disapproval rate surged from 47 percent in September to 63 percent, the poll said. But the poll also showed that Mr. Miyazawa's Liberal Democratic Party, which has ruled since 1955, was under no threat from the opposition, whose public support also remained low.

Green Groups Say Japan Broke Vow

KUALA LUMPUR (AFP) — Japan came under fire Wednesday from Asia-Pacific environmental groups for allegedly breaching a pledge that its plutonium-carrying ship would not enter the maritime zones of other nations.

The Akatsuki Maru and its two naval escorts were reportedly inside Vanuatu's 200-mile exclusive economic zone early Wednesday morning and heading for the Solomon Islands' waters, contrary to assurances from Tokyo. Japan has declined to disclose the ship's route after it left France in November with 1.7 tons of the highly radioactive metal.

"The Japanese government had allowed the shipment to transgress the waters of the Pacific Island states whose wishes and concerns were blatantly defied," said the Asia Pacific People's Network, a loose coalition of green groups in the region.

Tajik Refugees Flee to Afghanistan

TASHKENT, Uzbekistan (Reuters) — Thousands of Tajik refugees fled across the border to Afghanistan on Wednesday to escape forces loyal to the new government, which is made up of former Communists, a senior Russian Army officer said.

An officer said by telephone from the capital of Dushanbe that 80,000 refugees were massed near the Amu Darya River straddling the border after fleeing fighting on Monday between Communist and Islamic forces.

The refugee exodus stems from months of fighting between rival clans whose hatreds broke into the open after the collapse of Kremlin rule. One in 10 of Tajikistan's 5 million people have been displaced by a civil war that broke out in September.

For the Record

The Irish Republican Army announced a Christmas truce on Wednesday that is to end at midnight Saturday, but it appeared to stop short of covering mainland Britain where the IRA has been waging a bombing campaign. Christmas truces have been a regular feature of the 20-year IRA campaign against British forces in Northern Ireland. (Reuters)

Celebrating Emperor Akihito's 59th birthday, thousands of flag-waving well-wishers gathered before the imperial palace in Tokyo on Wednesday for a rare glimpse of the Japanese monarch. (Reuters)

TRAVEL UPDATE

Accolades for passenger satisfaction on long flights went to Northwest Airlines, Delta Air Lines and Continental Airlines while Alaska Airlines, Southwest Airlines and Delta did best on short flights, a survey of business travelers asserted. (UPI)

More nonstop services to Europe is planned by Hong Kong's Cathay Pacific Airways next year, bringing the total to 31 nonstop flights a week. The airline said Wednesday. It said the company planned to add six more weekly nonstop flights to Europe by June. (AFP)

Cholera has broken out in Mozambique, Zimbabwe and Zambia, killing 112 people since November. Health officials said Wednesday that the disease could spread further. (Reuters)

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Mexico City Chokes on Crisis-Level Smog

By Juanita Darling

Los Angeles Times Service

MEXICO CITY — The unrelenting smog here is reaching record levels, leading one expert to warn of an environmental disaster on the scale of the 1950 London fog that killed 4,500 people.

Taxi drivers, street vendors and other residents complain of watery eyes, hacking coughs and headaches as pollution reached three times the level considered safe by international health organizations.

Despite a multitude of measures — from twice-yearly automobile exhaust checks to improved gasoline — ozone and general pollution levels have continued to rise.

A first-stage smog alert has been in effect here since Friday, when authorities ordered factories to cut production by one-third, halted the use of government vehicles and halted street repairs in an effort to minimize traffic jams.

holiday traffic, drove ozone levels to a peak of 0.39 parts per million Monday.

An ozone level of 0.35 parts per million is considered dangerous and would prompt officials to declare a second-stage smog alert in, for example, Los Angeles. Mexico City does not declare a second-stage alert until smog reaches 0.42 parts per million.

In contrast, the number of days with ozone levels above the dangerous level here increased from six in 1991 to 10 so far this year. Six weeks ago, a team of environmental researchers measured smog levels on the south side of the city at 0.60 parts per million — comparable to the Los Angeles record set in 1955 and well above the level at which healthy adults are susceptible to asthma attacks.

"Unless we are lucky and the wind starts to blow, we are going to have a disaster comparable to the 1950 London fog," warned Luis Manuel Guerra, who led the environmental research team and heads a consulting company here. Mexico City — the hemisphere's largest city, with 18 million inhabitants — sits in a

mile-high mountain valley. Pollution is a problem year-round because of the thin air and the large number of old cars and trucks. Vehicles cause about 70 percent of the city's air pollution.

When winter clouds cap the valley, the problem becomes a crisis.

Health problems related to pollution — mainly respiratory diseases — have become so severe that the National Human Rights Commission has taken up the cause.

To fight pollution, officials have required catalytic converters on all autos produced since 1991, increased the supply of unleaded gasoline and reduced the amount of lead in leaded gasoline. This winter, reformulated gasolines — those with lower levels of ozone-causing additives — were introduced in the Mexico City metropolitan area.

"They have done everything technology can do," said Mr. Guerra. "But they have not attacked the root of the problem." Mexico must speed up construction of the subway and increase the number of buses, he said.

TRANSITION / THE FOREIGN POLICY TEAM

At State Dept., More a Technician Than a Conceptualizer



President-elect Bill Clinton introducing Warren M. Christopher, center, and Les Aspin as the latest additions to his cabinet.

By Robert Reinhold

New York Times Service

LOS ANGELES — In this dissonant world of uncertainty, disorder and fear, Warren M. Christopher sells confidence and trust.

The quiet, discreet, almost shy Los Angeles lawyer was the man IBM turned to when it needed help in fighting a major antitrust suit, the man former President Jimmy Carter called to negotiate the U.S. diplomatic hostages out of Iran, the man Mayor Tom Bradley asked to resolve the police crisis in Los Angeles.

President-elect Bill Clinton tapped Mr. Christopher to supervise selection of his running mate, to lead his transition and now to guide the foreign policy of the new administration as the next secretary of state.

To all those tasks, the 67-year-old Mr. Christopher — Chris to friends — brings an extraordinary attention to detail, infinite patience, unflappability, sure judgment and an abiding conviction that most disputes can better be resolved through talking than fighting.

He is a cautious man who can be trusted with any secret, who seldom says the wrong thing or makes a mistake.

If diplomacy means finding common ground with one's adversaries, then Mr. Clinton will find the consummate diplomat in Mr. Christopher, an impeccably groomed, unassuming and immensely polite man of almost Calvinistic Midwestern reserve, whose pleasures include a dry martini before dinner and a good game of tennis singles, never doubles.

But if diplomacy also means articulating a larger world view, then it is less clear how Mr. Christopher will function as secretary of state in a world that has changed drastically since he last served in Washington as deputy secretary of state under Mr. Carter.

Even close friends cannot describe his political philosophy or be sure he has one. Some say he is more a master legal and diplomatic technician than conceptualizer.

"He's a lawyer's lawyer, a case-by-case man," said a former State Department official who often worked with him. "If we were in a meeting on a crisis, no one would turn to Chris and say, 'You put together the strategy memo.' But everyone would want him to read it because he'd be very good at implementing it."

From his writings and speeches, Mr. Christopher, a litigator by practice, will likely resist using U.S. forces in foreign conflicts, preferring quiet diplomacy.

"Most talking is not glamorous," he told the 1981 Stanford University commencement, after the Iran hostage crisis ended. "Often it is tedious. It can be excruciating and exhausting. But talking can also tame conflict, lift the human condition, and move us close to the ideal of peace."

That was the approach he brought to the five grueling months as chairman of the commission that examined the Los Angeles Police Department last year, carefully forging a unanimous agreement among the 10 members on the crucial wording calling on the chief of police, Daryl F. Gates, to step aside.

Throughout the deliberations, he managed to maintain a strong hand at his 550-lawyer firm, O'Melveny & Myers, one of the oldest and most prestigious in Los Angeles, which he first joined in 1950.

For the last decade, he has been chairman of the firm's management committee, and his partners credit him with revitalizing the firm when he returned from the Carter administration, expanding its international practice.

The ascension of Mr. Christopher to secretary of state caps a life that began in humble circumstances on Oct. 27, 1925, in Scranton, North Dakota.

After his father, Ernest, a bank cashier, suffered a stroke, the family moved to southern California in 1937, during the Depression. They settled in a bungalow in Hollywood and, after his father died in 1939, his mother, Catharine, supported their five children by working as a sales clerk.

After graduation from the University of Southern California and Stanford Law School, Mr. Christopher clerked for Justice William O. Douglas at the Supreme Court during the 1949-50 term. He then joined O'Melveny & Myers and began to get involved in Democratic politics and public affairs.

Governor Edmund G. Brown Sr. appointed him vice chairman of the McCone commission that investigated the 1965 Watts riots in Los Angeles.

He returned to Washington as deputy attorney general during the Johnson administration, when he coordinated the federal response to racial disorders in Chicago and Detroit.

Mr. Carter made him deputy secretary of state under Cyrus R. Vance in 1977. Mr. Christopher's duties included serving as chief spokesman for human rights abroad and shepherding the Panama Canal treaty through Congress.

Foreign Service officers sometimes complained that he tended to "overlawyer" every treaty and agreement.

★ POLITICAL VOICES ★

A New Hispanic Front-Runner for Interior

WASHINGTON — Under heavy pressure to add more women and members of minorities to his cabinet, President-elect Bill Clinton appears to have replaced the leading candidate for interior secretary, Bruce Babbitt, the former governor of Arizona, with Representative William B. Richardson of New Mexico, who is of Hispanic descent.

The shift seems to have been dictated by Mr. Clinton's desire to name a second Hispanic-American to his cabinet, according to officials of the transition team. If selected, Mr. Richardson would join former Mayor Henry G. Cisneros of San Antonio, whose selection as secretary of housing and urban development was announced last week.

Mr. Babbitt is now considered likely to be named the U.S. trade representative. But leaders of environmental organizations were seeking to forestall the decision, telling Mr. Clinton they want Mr. Babbitt at the Interior Department. (NYT)

Women's Groups Vow to Keep Up Pressure

WASHINGTON — Cutting across party and political lines, women reacted with a mixture of anger and bemusement at President-elect Bill Clinton's angry swipe at women's groups, who he said were "playing quota games and math games" with the selection of his cabinet.

And they were stunned by the vehemence with which Mr. Clinton criticized behind-the-scenes efforts to create a more inclusive advisory body than those of his Republican predecessors.

The conflict, which erupted in public when Mr. Clinton snapped that the lobbying was the work of "bean counters," had been brewing for weeks. By early December, said Harriet Woods, chairwoman of the Coalition for Women's Appointments, many women evaluating Mr. Clinton's early appointments "started to get a little bit desperate."

To pressure the Clinton transition team, Mrs. Woods created an informal newsletter called "The Mirror," which tallied appointments with notations indicating sex and race. More pressure was applied in several meetings between women's leaders and Vernon E. Jordan Jr., the transition chairman.

After the flare-up, leaders of several influential women's groups said that such pressure would continue. Several women speculated that Mr. Clinton had staged the event to reassure moderate supporters that he could not be manipulated by a radical agenda. Others said they believed that he had simply reacted with frustration after their intensive drive to make sure he made good on promises to increase women's representation at all levels of his administration. (NYT)

Transition Shapes Up as Most Costly Ever

WASHINGTON — The Clinton team's talent search — and the country's frantic response — seems likely to make the transition the most expensive ever.

Transition officials have launched a direct-mail campaign to raise up to \$3.5 million in private donations, which could bring total revenues for the effort to \$7 million. Former President Ronald Reagan's 1980 transition, the priciest and most elaborate so far, cost about \$3 million by official estimates, although some believe the figure was higher.

Transition officials say the bills have been mounting because of the expense of contacting scores of groups in search of job candidates, as well as reaching the policy experts who are helping shape a legislative agenda. Also bumping up the cost has been the expense of running an operation that is split between Little Rock, Arkansas, and Washington, and the cost of Mr. Clinton's travel. (LAT)

Texas Governor Won't Take Bentzen's Seat

WASHINGTON — Here are the latest developments in the continuing drama over the successor to Senator Lloyd Bentzen, Democrat of Texas.

Governor Ann Richards of Texas reportedly has put aside her brief flirtation with the idea of moving into the Senate seat herself when Mr. Bentzen becomes Treasury secretary. Aides say Mrs. Richards, a Democrat, has reaffirmed her intention to stay in Austin, complete her term and run for re-election in 1994.

Democratic politicians in Texas say that Representative Michael A. Andrews of Houston has emerged as the favorite to receive the appointment from Mrs. Richards and gain the benefit of running as the incumbent in the special election that she is likely to set for May 1. Mr. Andrews, 48, is a 10-year veteran of the House of Representatives and a member of the Ways and Means Committee. (WPT)

Quote-Unquote:

Bill Clinton, announcing his national security team: "As I promised during the campaign, mine will be a foreign policy engagement, one that strengthens democracy, promotes economic reform, opens markets, and stands up to aggression and intolerance." (AP)

Clinton's China Policy Makes Asians Uneasy

Many Leaders See Threat to Stability

By Michael Richardson

International Herald Tribune

SINGAPORE — Asian officials are concerned that the Clinton administration will put human rights concerns ahead of trade, causing China to sever from regional cooperation to confrontation.

They say that the change of leadership in Washington will come at a time when Beijing is showing signs of increasing suspicion that Western nations, led by the United States, are seeking to subvert Communist rule in China in the wake of the collapse of the Soviet and East European regimes.

The Chinese government "believes the West wants to break up China like the Soviet Union," said Lee Kuan Yew, Singapore's senior minister, in a recent interview with a Hong Kong newspaper.

Mr. Lee, who frequently visits China, attributed Chinese suspicions to arms sales by the United States and France to Taiwan, proposals by Britain to increase democracy in Hong Kong, and meetings by Western leaders with the exiled Dalai Lama of Tibet.

Beijing, which regards Taiwan as a renegade province, is to regain sovereignty over Hong Kong from Britain in 1997. The Chinese authorities have clamped down ruthlessly on signs of secessionism in Tibet in recent years.

Mr. Lee said that China's suspicions about Western conspiracy were "paranoic" and that the battle over democracy in Hong Kong was really a side issue. "The main battle Clinton will decide on is about human rights and democracy in China," he said.

In a news conference Tuesday, President-elect Bill Clinton again hinted that he would use U.S. economic power to try to bring about changes in Chinese policy. During the election campaign, he said that the most favored-nation trading status for China should be linked to the country's human rights record.

China's trade surplus with the United States is expected to reach at least \$18 billion in 1992, up from about \$13 billion last year. U.S. officials said the growing surplus

would strengthen demands from critics in a Democrat-controlled congress for denial of most-favored-nation status to China unless it acts to improve its human rights, arms sales and market access policies. The legislation comes up for renewal in June.

Western diplomats said that virtually every country in East Asia opposes attempts by the United States to dictate to China on internal affairs, fearing that it would only strengthen hard-liners and weaken proponents of change.

In a recent interview, Najib Razak, Malaysia's defense minister, said that while states should adhere to certain minimum standards of freedom and democracy, continuing stability in China was of vital concern to the whole of Asia.

He said China could "ill-afford a breakup of the kind that is now happening in Europe."

"In China," he said, "there could be ethnic and religious conflicts on a scale which the world has never seen before."

Mr. Lee said that Chinese leaders were convinced that the unity of China depended on survival of the Communist regime.

"If that unity is broken," he said, "they believe China would break up. And they may well be right."

He said that it was important for the United States to understand that a China "which loses MFN status, or loses face because she has to comply with humiliating conditions concerning her internal behavior, will become a resentful and noncooperative factor in international affairs."

Already, contradictory trends are evident in China. While China has normalized relations and greatly expanded economic ties with most non-Communist countries in Asia in recent years, many officials are concerned about the extent of the Chinese military buildup.

Heightening regional anxieties are Beijing's readiness to use force in pursuit of its claims to disputed islands in the South China Sea that are far closer to Southeast Asia than to China, and its belligerent tone over the Hong Kong democracy dispute.

New Security Adviser Coming 'Home'

By Don Oberdorfer

Washington Post Service

WASHINGTON — When he takes over next month as national security adviser, W. Anthony Lake will move into an office he knows well. He was there as an assistant to Henry A. Kissinger in the Nixon administration but quit the White House — and the government — to protest the U.S. invasion of Cambodia. The Nixon White House, with the knowledge of Mr. Kissinger, reacted by placing a secret FBI wiretap on Mr. Lake's home telephone for nine months.

Later, in the Carter administration, Mr. Lake did battle with the White House national security adviser, Zbigniew Brzezinski, as a senior member of Secretary of State Cyrus R. Vance's State Department team. Reflecting on that experience, Mr. Lake argued in a book he co-wrote in 1984 that "not only our government but our whole society has been undergoing a systematic breakdown when attempting to fashion a coherent approach to the world."

In naming him national security adviser, Mr. Clinton said he wanted Mr. Lake to be "not a rival but a partner with the foreign policy, defense and intelligence agencies." Mr. Lake, 53, spoke of the need to define U.S. national security policy in a new age and expressed hope for "collegial and amicable" relationships with the other newly minted officials who shared the Little Rock platform with him.

Mr. Lake paid particular tribute to Samuel R. Berger, who will be deputy national security adviser and who brought Mr. Lake and Mr. Clinton together. Mr. Berger, a Clinton friend since they worked in the McGovern's presidential campaign in 1972, was deputy director of State Department policy planning under Mr. Lake in the Carter administration. Last fall Mr. Berger recruited Mr. Lake as a Clinton foreign policy adviser. Mr. Berger, 47, has been on leave from the law firm of Hogan & Hartson, where he directed the international trade group.

With a major interest in economic affairs, Mr. Berger is expected to play an important role in the economic side of U.S. foreign policy.

During the campaign, Mr. Berger traveled with a big suitcase of positions approved by the candidate in case these issues were raised during debates or news conferences. Because of the overwhelming focus on domestic and economic issues, many of these positions never were announced.

Since the election, Mr. Berger has directed the Clinton national security transition team.

Mr. Lake, educated at Harvard, Cambridge University in England and Princeton, was a career Foreign Service officer with extensive experience in Vietnam when he was chosen by Mr. Kissinger to be his personal assistant on the National Security Council staff in 1969. In that

capacity, Mr. Lake accompanied Mr. Kissinger to his first secret meeting with North Vietnamese negotiators in Paris and helped write Mr. Kissinger's extensive "State of the World" report in 1969.

Mr. Lake, along with two other council staffers, William Watts and Roger Morris, resigned abruptly in 1970 to protest the U.S. invasion of Cambodia, saying that "the costs and consequences of such an action far exceed any gains one can reasonably expect."

In the Carter administration, Mr. Lake became one of the closest aides to Mr. Vance, serving as the director of policy planning. Mr. Lake also worked closely with then-Deputy Secretary of State Warren M. Christopher, who was named to head the State Department this week.

Since 1981, Mr. Lake has been a professor of international relations at Mount Holyoke College in South Hadley, Massachusetts.

Mr. Lake and his wife, Antonia, have been the working owners of a 140-acre cattle farm near Mount Holyoke that they have been reluctant to leave, which gave rise to considerable joshing in Washington. Asked why he decided after all to leave the farm to return to foreign policy-making in Washington, Mr. Lake declared, "I did it because the price of beef is down."

For the CIA, a Quintessential Insider

By R. Jeffrey Smith

Washington Post Service

WASHINGTON — President-elect Bill Clinton has chosen a quintessential Washington insider with ties to both political parties as new director of the Central Intelligence Agency.

A lawyer long involved in defense policy-making, Robert James Woolsey Jr. would be no familiar ground in wrestling with questions such as the fate of nuclear weapons in the former Soviet Union and development of weapons of mass destruction elsewhere.

But Mr. Woolsey, 51, has less experience working with what many experts consider the intelligence community's expanding new agenda — charting the rise of nationalism and ethnic hatred; monitoring new social, economic and environmental trends; and tracking the global flow of drugs.

Mr. Clinton indicated Tuesday that, in restructuring and streamlining the agency, he would rely not only on Mr. Woolsey but also on William J. Crowe Jr., 67, former

chairman of the Joint Chiefs of Staff. An early supporter of Mr. Clinton's candidacy, the former admiral was named by Mr. Clinton as director of the President's Foreign Intelligence Advisory Board.

"It is a more complex and difficult agenda," Mr. Woolsey acknowledged in Little Rock where Mr. Clinton introduced him at a news conference. "We have to do some things differently."

This brief, elliptical reference to the immense challenge, in an era of declining CIA budgets, of moving the agency more forcefully into a post-Cold War environment was characteristic of Mr. Woolsey. Known to friends as Jim, he is an engaging, politically cautious moderate given more to understatement than blunt public expression.

Behind the scenes, however, he is considered adept at pushing the levers of power. As ambassador to European arms-control talks between 1989 and 1991, he frequently got results by sidestepping the State Department to deal directly with Brent Scowcroft, the national

security adviser and a close friend. In a speech three weeks ago to the World Affairs Council, he warned that the world developing now looks "more and more like a more lethal version of the old world that existed before 1914, when a range of nationalist sentiments produced the holocaust of World War I."

In the speech, liberally sprinkled with quotes from philosophers, economists and political scientists, he called for a new approach to collective security that includes various countries under the aegis of the United Nations. Old alliances are not enough to manage new problems, he said.

Mr. Woolsey first met Mr. Clinton a year ago, endorsed his candidacy in late summer and helped to advise him during the campaign.

Mr. Woolsey's selection was supported by Senator David L. Boren, Democrat of Oklahoma, chairman of the Senate Select Committee on Intelligence, with whom Mr. Woolsey was named a Rhodes Scholar in

CIA: An Industrial Espionage Role

(Continued from page 1)

1965, three years before Mr. Clinton. Mr. Woolsey also has a degree from Yale Law School.

Arriving in Washington in 1968, Mr. Woolsey was an adviser to U.S.-Soviet strategic-arms negotiations, a member of the National Security Council staff in the Nixon administration, general counsel to the Senate Armed Services Committee and undersecretary of the navy in the Carter administration.

His service on various defense commissions under Presidents George Bush and Ronald Reagan earned him the unofficial title of the Republicans' favorite Democrat.

He and his wife, Suzanne Haley Woolsey, a lawyer, have three children. He has practiced recently in Washington at Shea & Gardner, where he has represented major defense contractors.

Mr. DeConcini's committee in January, the senator said. The current CIA leadership has so far publicly rejected an activist economic spying role. The departing CIA director, Robert M. Gates, told Congress in April that the agency "does not and will not engage in commercial espionage."

The CIA does, however, monitor "foreign-government sponsored targeting of American businesses" that operate overseas.

Mr. Gates made it clear that some U.S. allies, as well as adversaries, had engaged in intensive industrial espionage against U.S. companies and executives. Mr. Gates said in later congressional testimony that the CIA role should be limited to alerting a victimized U.S. company only if it is the target

of a specific operation overseas directed by a foreign government's spy service.

The Federal Bureau of Investigation has a program designed to warn U.S. companies about specific spying tactics by foreign governments.

France, Japan, Britain, South Korea, Taiwan and China were named in recent congressional hearings as countries that have sought to obtain U.S. corporate secrets, the Knight-Ridder News Service reported. Mr. Gates said more than 20 nations were involved.

A spokesman for the senator, William Morlan, confirmed the senator's taped interview.

According to Mr. Morlan, the senator "doesn't think it's necessarily the job of the CIA to break into hotel rooms and briefcases."

DEFENSE: For Aspin, a Fascination With Military

(Continued from page 1)

ing one weekend news release after another on wasteful Pentagon spending. The releases were astute-ly embargoed for the Monday newspapers for maximum exposure on what is normally a slow news day.

"Petitcare," or the care of military officers' pets at government expense, was a special concern in the early days. Over two decades he has developed into a military expert who had not shrunk from challenging the liberal orthodoxy.

Mr. Aspin's willingness to support the MX missile during the Reagan administration and his backing of the Gulf War set him apart from many Democrats and gave him solid centrist credentials.

Mr. Cheney indicated as much when he recently praised Mr. Aspin as a good candidate for the Pentagon post, while saying that he

thought the lawmaker's proposed budget cut went too far.

Born Leslie Aspin Jr. on July 21, 1938, to a Yorkshireman who immigrated to Wisconsin, he earned degrees from Yale, Oxford and the Massachusetts Institute of Technology. He joined the Reserve Officers Training Corps at Yale and performed his army service as a Pentagon economist in the last two years of the Johnson administration, which included trips to South Vietnam to study its economy.

As chairman of the Armed Services Committee since 1985, Mr. Aspin has used the panel to conduct wide-ranging inquiries into military policy. It was under him that the panel solicited William W. Webster's assessment that the changes in the Soviet Union under President Mikhail S. Gorbachev were "irreversible."

In several recent speeches, Mr. Aspin has sought to articulate a new vision of how military power should be used and what the structure of the military should be.

In a September speech, he criticized General Powell's "all-or-nothing" doctrine for using military power, contending that the United States should be prepared to use force selectively to buttress its diplomacy.

Expanding on the point, Mr. Aspin said before the speech that the United States should be prepared to use force to slow the killing in Bosnia, a position adamantly opposed by General Powell.

General Powell criticized Mr. Aspin's approach earlier this month, saying that in a changing and uncertain world, it would be unwise to cut the military forces too deeply.

Away From Politics

- Alaska has abandoned a plan to shoot hundreds of wolves from the air next year, bowing to threats of a boycott of its billion-dollar tourism industry.
- Mayor Richard Daley will ask for a heavy tax on guns and ammunition sold in Chicago and said he hoped it will be the start of a nationwide anti-gun crusade.
- The first shuttle launch of 1993 is scheduled for Jan. 13 at Cape Canaveral, Florida, a six-day mission of the Endeavour that will allow for practice space walking, NASA said, and the deployment of a solid propellant rocket that will boost a satellite into a 22,300-mile-high orbit.
- Jim Bakker's 18-year prison sentence was cut to eight years by a judge in Charlotte, North Carolina. Mr. Bakker is the television evangelist who bilked followers of more than \$150 million.
- Detroit officials have reportedly agreed to pay about \$5 million to the family of a motorist beaten to death by police outside a suspected crack house, news reports said.
- A coalition of homosexual-rights and human-rights groups joined the boycott of Colorado called in an effort to overturn an anti-gay-rights measure passed there last month.
- Prosecutors in Los Angeles have closed the case against Rodney G. King without charges for his part in the car chase that ended in his beating, which was videotaped and caused a national scandal.
- New York state's highest court ruled that law firms cannot dismiss lawyers for doing what their professional disciplinary rules require — blowing the whistle on a dishonest colleague. (NYT, UPI, AP, WP)

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Holding On During an Icy Exile: 'God Will Take Me Back'

By Nora Boustany
Washington Post Service

MARJ ZOHOUR, Lebanon — Trapped between armies of two countries who reject them and hemmed in by snow-capped mountains, 415 Palestinians expelled by Israel spend their nights under tents in freezing winds in a desolate settlement that is fast becoming their new home in exile.

Some sprawl listlessly on foam mattresses while others stoke fires with tumbleweeds and wood to boil water to bathe in and wash their clothes. The more southeasterly wash their feet in an icy stream flowing from the Hashani River in hurried ablutions for collective midday prayers.

The elder ulamas, the religious scholars, huddle in a tent and discuss, as they usually do, the fine points of their religion, Islam.

The scattered fires around the camp — with smoke swirling from circles of angry men shrouded in sweaters, blankets, windbreakers and towels — have a Dante-like quality of hell.

The men, accused by Israel of being activists in Muslim fundamentalist groups that have killed six Israeli policemen and soldiers in recent attacks, have been stranded in a barren no-man's-land since their expulsion to southern Lebanon last Thursday. They are caught between Israeli troops who refuse to allow them to return and Lebanese troops who are enforcing their government's decision not to accept them.

To reinforce its position that the deportees are Israel's problem, Lebanon has barred all relief agencies except the International Committee of the Red Cross from delivering supplies to them.

On Wednesday, the men were running out of drinking water. "There is almost no more drinking water Wednesday, and food supplies have to be renewed in three days to make sure the deportees are fed properly," said Frank De Jonge of the United Nations Relief and Work Agency. Their stocks of food and medicine were also running short.

Mr. De Jonge said he was told that no humanitarian organization had been able to enter the camp since Monday.

His agency, he said, approached Prime Minister Rafik Hariri of Lebanon again Wednesday, seeking permission for four supply trucks and an ambulance to drive to the camp, but Mr. Hariri refused.

The French ambassador to Lebanon, Daniel Husson, said that he had been denied permission by the Lebanese government to visit the encampment.

"It is unbearable," said Zubeir Abdallah, an information officer with the UN refugee agency. "They are in a very difficult situation."

"Now they are only getting water from the stream and boiling it," said Mr. Abdallah, who spent a night with the deportees. "The food they have is only enough for today."

In an interview in Beirut on Tuesday night, Prime Minister Hariri said: "It is not a major crisis for Lebanon; it is a crisis for Israel. We do not consider ourselves involved." Mr. Hariri insists that aid to the deportees go through Israel, not Lebanon.

On Monday, the Palestinians attempted what they said was a peaceful return march in defiance of Israel and its allied South Lebanon Army militia, deployed a few miles south of the deportees' campsite in a portion of Lebanon that Israel occupies as a self-declared security zone.

They were met with gunfire and mortar shells fired over the heads. News agencies in Lebanon reported Tuesday that five Palestinians had been wounded in several shelling. But Prime Minister Yitzhak Rabin of Israel was quoted as telling the Knesset that "everything was a show" and that he knew of no one who had been hurt.

"Our mission is to prevent them going back to the security zone," said Brigadier General Gabi Ashkenazi on Wednesday. "The Israeli government decision is clear and final. They will not come back."

At the campsite, Abdulaziz Rantisi, the deportees' spokesman, said, "If the world does not exert enough pressure to send us back to our homes, then we are prepared to live here for two full years until the expiration of our deportation period."

As the Palestinians organized themselves into food, health, garbage-collection and media committees at

the makeshift camp, it dawned on many of them that they had left without saying good-bye to their wives and children.

"God brought me here, and he is the one who will take me back," said Nabil Bishawi, a retired teacher from the West Bank town of Nablus. But he added, "The worst thing that can happen to us is to stay here indefinitely without our families. Prison would be easier than this exile."

He said he had been a member of the Muslim Brotherhood, a fundamentalist organization, since 1967, but never of the more-militant Hamas or Islamic Jihad.

Several of the men said they had worked in Islamic charity organizations and hospitals. Some declared they were members of Islamic Jihad, but many said they did not know why they had been deported.

Issam Mohammed Rummaneh, 26, the imam of the mosque of Bir Zeit, said he had been writing his wife a letter from prison, telling her he only was 10 days away from being released, when he was summoned from his cell.

Taher Lulu, 34, a pediatrician from Nasser Hospital in Gaza, said he was sitting down to lunch when the Israeli soldiers came.

"I left the house without talking to my wife or three children thinking I would go back," he said.

"I would just like to tell my family, I am returning to Palestine, sooner or later. If not peacefully, then in martyrdom," he said.

Killings by Israeli Army Rise Sharply With New Unrest in Territories

By Clyde Haberman
New York Times Service

JERUSALEM — Israel's deportation of 415 Palestinians to Lebanon last week has led to a surge of unrest in Israeli-occupied territories and, with it, a sharp rise in the number of Palestinians shot and killed by soldiers.

Army officers insist that they have not changed standing regulations to allow soldiers in the West Bank and Gaza Strip to open fire more readily than before.

But they acknowledge that an unusually large number of residents are being killed in the territories, raising questions about whether a trend in recent years toward fewer deaths is in the process of reversing itself. By Wednesday, 11 Palestinians had been killed in the 6-day period since the deportations were ordered.

"When you have so many killed, you're doing something wrong," one Israeli official said.

Faisal Hussein, the Palestinian leader in East Jerusalem, warned at a news conference Wednesday that the Middle East peace talks were dying and that Palestinians had other choices besides negotiations, including "the armed struggle option."

Asked if the time for armed struggle was at hand, Mr. Hussein replied: "We are at the edge." There was no sign, however, that the Palestinians had given up on the peace talks for good.

For their part, the Israelis sought to put the best face on a difficult situation. Some cabinet ministers again urged Prime Minister Yitzhak Rabin to offset his expulsion of the fundamentalists by agreeing to negotiate directly with the Tunisian-based Palestine Liberation Organization, but Mr. Rabin turned them down.

There were, however, hints that the government might start inching its way toward open talks with someone like Mr. Hussein, who as a PLO associate, has thus far been shunned.

The Israelis also must contend with strong anger among the Palestinians over the expulsions, which for many people evokes their worst fears that Israel's ultimate goal is a policy of mass transfer. That rage has led to occasional street battles with soldiers, and to deaths.

Of the 11 Palestinians killed by Israeli soldiers, all but one died in the Gaza town of Khan Yunis and an adjacent refugee camp. Why Khan Yunis has been so violent is not clear. But clashes there have been particularly fierce whenever the Israeli authorities even briefly

lifted a curfew that was imposed on the entire Gaza Strip until Wednesday.

Morrow, some of those killed appear from witness accounts not to have been involved in rock-throwing attacks. Among them were an 8-year-old girl shot in the side last Saturday as she went for milk and a 12-year-old boy who said to have been shot in the chest while getting medicine for his father.

On Wednesday, two brothers were killed during new disorders in Khan Yunis. The army has not given its account of the shootings, but Gazans said that Ismael Abdeen, 27, had stepped out on a second-floor balcony, perhaps to see what was happening below, and was shot. Seeing this, his brother, Naim, 32, became enraged and, according to a cousin, started throwing stones at the soldiers. They then shot him, too.

In the cyclical nature of this long conflict, the latest Palestinian deaths followed the killings of four Israeli soldiers and a border policeman this month. Those killings led to the deportation orders.

Even before the expulsions, the death rate had been climbing markedly, especially in Gaza's hard-scrabble camps and towns. Since Oct. 1, at least 48 Palestinians have been killed by soldiers.

Israel has pointed out that in the recent years Palestinians were far more likely to be killed by fellow Arabs as suspected collaborators than by soldiers. Now, the death rate resembles that of the early months of the uprising in 1987.

Greek Robbers Defy Reason

The Associated Press
ATHENS — Robbers pulled off one of the biggest bank heists in Greek history by tunneling into what was believed to be a nearly impenetrable underground vault, the police said Wednesday.

The robbery occurred over the weekend. The thieves appear to have stolen valuables worth between up to 3 billion drachmas (14.3 million) from safe deposit boxes in the vault.

They spent at least three months digging a 25-meter-long tunnel, the police said. Using jackhammers, they punched a hole through 60 centimeters (23 inches) of reinforced concrete and two centimeters of high-grade steel.

Somali Mine Blast Kills U.S. Civilian

By Jane Perlez
New York Times Service

MOGADISHU — The first U.S. fatalities of the military humanitarian operation in Somalia occurred Wednesday when a civilian employee of the U.S. Army was killed and three State Department security officials injured after their vehicle hit an anti-tank mine outside of Bardera, about 320 kilometers west of here.

The military said the four men were on an advance mission in preparation for the arrival in Bardera of 1000 U.S. Marines on Thursday.

The incident was the first major accident involving Americans since Marines landed on the beach here two weeks ago and started what has been a fairly smooth operation to secure humanitarian routes under conditions that are not hostile but risky.

The dead man was killed instantly and the three others were taken by helicopter to the Tripoli, off Mogadishu, for medical treatment, he Marine spokesman here, said Colonel Fred Peck.

One of the men was in critical but stable condition and the other two were in serious but stable condition, the Pentagon said. Colonel Peck, declined to specifically describe what the four men, dressed in civilian clothes and driving a

civilian four-wheel-drive vehicle, were doing in an area that he said was known to be strewn with mines.

[President-elect Bill Clinton said Wednesday that the army civilian employee who died in a land mine explosion in Somalia "was serving the cause of humanity." The Associated Press reported from Little Rock.]

"Accidents happen," Ambassador Robert B. Oakley said after returning here from Bardera. "This is a dangerous country. This was a usual advance mission. We've got scouts all over the place trying to make sure there is not going to be trouble."

Mr. Oakley added: "It is surprising something like this has not happened before."

The four men, who had driven from Baidoa, about 200 kilometers away, were traveling on a road about a kilometer north of the dirt airstrip in Bardera, Colonel Peck said.

The area was known to be mined, but the men were on a track that was believed to circumvent the mined area, he said.

A second mine was found near the vehicle, Colonel Peck said. Bardera, a humid, disease-ravaged town where some 15,000 displaced Somalis are in need of food, clean water and medical care, has been



Somalis dancing Wednesday near a feeding center in Baidoa, where relief aid has been arriving.

the target of clan warfare this year. It was occupied for much of the year by one of Somalia's major warlords, General Mohammed Farrah Aidid.

Mr. Oakley said that he believed the mine the car hit was "probably left by Aidid" who placed mines as he withdrew from the town. But

General Hersi Morgan, son-in-law of the ousted president, Mohammed Siad Barre, is also known to have strewn new mines around Bardera after capturing it, as a way of deterring General Aidid from making a last-minute re-entry before the Americans arrived.

Bardera is the fourth site to be

secured by American forces now two weeks into their mission. Already secured are the capital and the famine-hit towns of Kismayu and Baidoa. At each of these places, the American military appears to have sent in groups of armed civilian officials, as well as unarmed civilians.

RELIEF: Turnover Readied

(Continued from page 1)

outside the city. The U.S. military aims to use political pressure and incentives to influence Somali communities to reduce the number of weapons in their areas.

General Johnston, a Marine battalion commander in Lebanon in the early 1980s, said there were several parallels between that crisis and Somalia.

"You have a green line in Mogadishu, dividing the city like you had in Beirut, and you have a large volume of weapons throughout the country," he said. "Youngsters in both cities became accustomed to carrying weapons on the street and firing them off in gestures of machismo as well as celebration."

"Like Beirut, Mogadishu was like the wild West when we first came in," he said. "We haven't eliminated all the random firing, but our expanding presence has reduced the number of weapons in the city."

General Johnston said Americans also learned a lesson in Beirut — not to appear to take sides among competing clans. "We have no business here taking sides, nor do we have any intention to," he said.

A UN Peacekeeping Fund

The General Assembly on Wednesday unanimously approved a \$150 million fund to speed peacekeepers to crisis zones. The Associated Press reported from the United Nations in New York.



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HEALTH/SCIENCE

Scientists Track Mechanics of Long-Life Gene

Research Sharpens Views On Body's Immune Setup

By Gina Kolata New York Times Service

NEW YORK — Buried in the heart of each of the body's cells is a powerful gene that can make a cell live forever. The gene becomes active, of course, only under special circumstances, and molecular biologists are beginning to discover when and why.

The gene is known as bcl-2, after a kind of cancer cell known as B cell lymphoma in which it was first found. As they investigate its functions, researchers are being led to new views of cancer, of the immune system's memory of long-ago infections and of auto-immune disease.

Now some biologists are considering strategies for inserting active versions of the gene into cells affected by degenerative diseases in which cells die en masse. They are thinking in particular of disorders like Alzheimer's disease, Parkinson's disease and Huntington's disease.

In a way, scientists say, the gene is part of a yin-yang phenomenon. Cells have a genetic program that makes them die. And, with bcl-2, they have a countervailing genetic program for keeping them alive.

Based on studies so far, researchers believe that one of bcl-2's most important duties in the body is to enable the immune system to "remember" past attackers. After an infection, the mass of cells that proliferated to fight disease organisms mostly die off, but a small cadre of cells is somehow kept alive so that the immune system can immediately gear up for defense if the same organism attacks again.

Researchers also believe that bcl-2 may be switched on erroneously in cells that mistakenly attack the body's own tissues. The result is auto-immune disease. Cells that normally would die because they recognize cells of the body as foreign tissue instead live on.

Cancer can also occur when bcl-2 is mistakenly switched on. The cancer is caused not because cells proliferate out of control but because they fail to die on schedule. The discovery of bcl-2 in 1985 was a result of the vigorous search

for cancer-causing genes in the 1980s. At the time, molecular biologists had just discovered that a cancer of the immune system known as Burkitt's lymphoma was caused by a gene that through "translocation," or misplacement on the chromosome, had escaped from the control of the usual signals that keep it switched off. Allowed to become active, the gene made copious copies of a protein that caused cells to proliferate wildly.

With that discovery, said Dr. Irving Weissman, an immunologist at Stanford University, "people thought that if they looked in cancers for translocations, they would identify new oncogenes," or genes that cause cancer. Three groups of scientists decided to look at follicular lymphoma, the most common malignancy of blood cells.

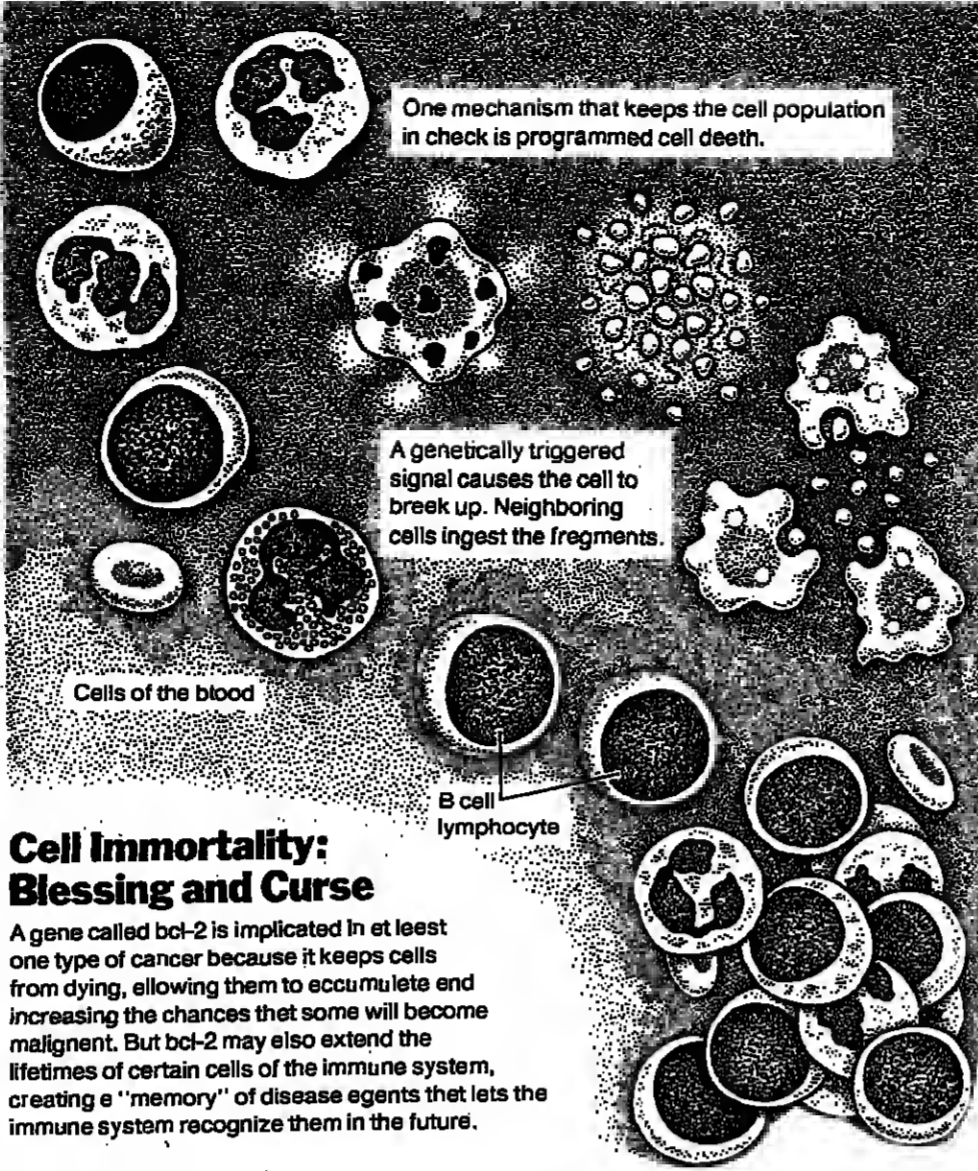
THIS cancer, Dr. Weissman said, "is more common than any leukemia. There are 10,000 new cases in the United States every year."

Follicular lymphoma, said Dr. Stanley J. Korsmeyer of Washington University in St. Louis, looked like an ideal place to search for an oncogene.

Because of an error in the delicate process of cell division, in which the chromosomes are duplicated, patients with the disease typically had a piece of chromosome 18 inserted into chromosome 14.

The chromosome 18 fragment was near a site containing the genetic controls for the genes that direct white blood cells to produce antibody molecules. Biologists supposed it might be a gene like the one causing Burkitt's lymphoma that made cells lose control of their proliferation when it was permanently turned on because of its placement near the active antibody genes.

But Dr. Korsmeyer and two independent groups of investigators at Stanford and at the Wistar Institute in Philadelphia discovered that the new gene, bcl-2, did not make cells divide. Instead, it stopped them from dying. The cancer occurred because cells piled up, im-



Cell Immortality: Blessing and Curse

A gene called bcl-2 is implicated in at least one type of cancer because it keeps cells from dying, allowing them to accumulate and increasing the chances that some will become malignant. But bcl-2 may also extend the lifetimes of certain cells of the immune system, creating a "memory" of disease agents that lets the immune system recognize them in the future.

focus in cancer has been on increased growth. The idea that cancers could also be caused by a failure of cells to die was unexpected, he said.

Dr. Korsmeyer and his colleagues and, independently, Dr. David L. Vaux, then at the Walter and Eliza Hall Institute in Melbourne, Australia, inserted active copies of the bcl-2 gene into the antibody-producing B cells of mice. They found that the B cells accumulated and, eventually, the mice developed cancer.

Dr. Korsmeyer explained that the cancers occurred because, with so many cells piling up, some mutated so that they became malignant. The disease caused by the misplaced gene starts out very slowly, "but if you live 10 or 15 years, you have a 40 to 60 percent chance of progressing" to an aggressive cancer, he said. The

course of the artificial disease engineered in mice was very similar.

Dr. Korsmeyer went on to map the bcl-2 gene in the human body where the bcl-2 gene is normally active. He found it in cells of the tonsils and spleen, two places where immune memory cells reside. This gave rise to the proposal put forward by him and others that bcl-2 enables certain cells to live on as the memory repositories of the immune system.

Memory of past infections is the essence of immunity. If a person gets the mumps, for example, the immune system gears up to fight it, producing millions of cells that are tailor-made to recognize and destroy the invading micro-organisms. But this is just a temporary army; most of the mumps-fighting cells die within three to five days. Yet, to protect against mumps in the future, a few cells that can specifically fight the disease live on forever in the body.

'Freed' Dead Sea Scrolls Provoke a Lively Debate

By John Noble Wilford New York Times Service

NEW YORK — The "freeing" of the Dead Sea Scrolls a year ago from the restrictive control of a few scholars has unleashed a storm of new controversy among the warring factions of biblical researchers.

As more scholars have access to the ancient texts, they are challenging some of the reigning assumptions about who wrote them, when and how they fit into the volatile history of Judaism from about 250 B. C. to A. D. 70.

"Everything about the scrolls is being re-examined and rethought," Dr. Michael Wise, a scrolls scholar at the University of Chicago, said in an interview last week at a conference on the manuscripts at the New York Blood Center in Manhattan.

One of the conference organizers, Dr. Norman Golb, professor of Near Eastern languages at Chicago, said: "We are back to square one with regard to the scrolls—who wrote them, where and why? They're all open for debate in a way they have not been for years."

Although the new debates are largely over interpretations of the substance of the texts, echoes of old disputes still reverberate among the scholars over the publication of a book, "The Dead Sea Scrolls Uncovered" (Element Books), by Dr. Wise and Dr. Robert H. Eisenman of California State University at Long Beach.

Two weeks ago, leading scholars accused the authors of using the research of others without proper credit. The authors and their allies contended that their accusers were merely trying to maintain the old monopoly in which the scrolls were held by a few international editors whose tight control since 1947 had stifled independent research and publication.

The two sides appeared to settle their differences at the conference, but only after hours of acrimony. Then it was back to the scrolls themselves, and a resumption of many early arguments fueled by new findings, as well as widening division among scholars over scrolls interpretations regarding their significance for the history of Judaism and early Christianity.

A major dispute involves the authorship of the scrolls. Among the first documents found in caves near the Dead Sea was a "Manual of Discipline," which outlined rules governing the group of scribes who presumably wrote the scrolls.

monastery at Qumran, where they lived celibate lives, wrote their precious scrolls and stored them in the nearby caves. Dr. James H. Charlesworth, editor of the Dead Sea Scrolls Project at Princeton Theological Seminary, has noted "the vast amount of commonality" between the ideas and practices of Jesus and the Essenes. The scrolls, many scholars say, underscore the Jewishness of Jesus.

At the center of controversy over the Eisenman-Wise book was the publication of texts known as MMT, for the Hebrew words meaning "Some Rulings Pertaining to the Torah."

The text contains about 22 religious laws and a defense of the sect's action in breaking away from the Jewish establishment, the Pharisees and Sadducees in Jerusalem, because of differences involving these laws. Scholars believe the MMT text should shed new light on the identity of the sect.

An examination of this text and other manuscript and archaeological evidence has led several scholars to challenge the Essene hypothesis.

Dr. Lawrence H. Schiffman, a professor of Judaic studies at New York University, said a close reading of MMT showed "beyond question that either the sect was not Essene, but was Sadducean, or that the Essene movement must be totally redefined as having emerged out of Sadducean beginnings."

As the two principal branches of Judaism of the period, the Sadducees were a sect dominated by a priestly aristocracy that opposed the Pharisees, a conservative sect led by lay teachers with strict views of religious laws.

Dr. Eisenman has made a more radical proposal. He said the newly available scrolls from Qumran support his thesis that the sect's writings coincide in many ways with life and teachings of Saint James the Just, known in the New Testament as the brother of Jesus.

James headed the Jerusalem Jesus Movement, a proto-Christian organization that eventually subsided in history and was replaced by the followers of St. Paul, whose more Hellenized version of Christianity was to prevail.

Dr. Golb, on the other hand, doubts that the scrolls can be attributed in any one sect, but reflect the thinking of a wide spectrum of Palestinian Jews in those turbulent times. He had hypothesized that the Qumran ruins are of a fortress, not a monastery, and that the scrolls came from the libraries of Jerusalem, stored in the caves for safekeeping during the Jewish revolt against Rome between A. D. 66 and 70.

Sex in the Exotic Orchid World

Only the Well-Endowed Do Most of the Breeding

By Natalie Angier New York Times Service

NEW YORK — Take pity on the poor orchid. It is a delectable symbol of human love and eroticism, yet its own sex life seems less than sizzling.

When it wants to mate, it cannot saunter off and cruise the forest but is stuck in one spot, dependent on an indifferent moth or bee to penetrate its private parts, incidentally pick up a packet of pollen and deliver that floral semen to another willing orchid.

Yet researchers have gathered tantalizing evidence that orchids do, in a sense, exert some degree of choice over their far-flung partners and that they tend to mate with orchids most closely resembling themselves.

Scientists studying the *Aerangis elata* orchid in Madagascar have discovered that a surprisingly small number of orchids do nearly all the breeding in the population, even though most of the orchids analyzed were perfectly capable of both fertilizing other flowers and being fertilized themselves.

The *Aerangis* orchid, like many flowering plants, is a hermaphrodite, with every bloom capable of both giving and receiving pollen to produce a new generation of seeds. The work suggests that the hawkmoths that pollinate this species focus most of their foraging



Patricia J. Wayne

efforts on a few specimens, taking the pollen from one appealing bloom, transferring it to another seductive plant, and eventually returning to the first attractive orchid with a fresh pat of pollen. In this way, the hawkmoths end up bringing together the genes of similarly well-endowed flowers.

"Those plants that are most attractive tend to mate with other very attractive orchids," said Dr. L. Anders Nilsson of the University of Uppsala, Sweden.

"I read about one investigation that concluded that wealthy American women tended to marry wealthy American men. Well, you see the same syndrome in orchids," Dr. Nilsson is the senior author

on the report, which appears in the current issue of the journal *Nature*.

And while a hawkmoth-mediated love affair may seem like a rather passive example of partner selection, researchers point out that given all the energy flowers put into making themselves attractive to pollinators, they may be thought of as forcing each other, through competition, to conform to certain floral standards of sexual beauty.

"Of course these orchids aren't looking across the field and saying, 'hmm, I like that one over there,'" said Dr. Douglas E. Gill of the University of Maryland, who has studied orchid reproductive strategies.

"The traits of attractiveness are being mediated by hawkmoths, which themselves are not very bright and they couldn't care in the least how they're affecting the plants. They just want the nectar." But the end result, he said, is a working definition of orchid sexiness that becomes emphasized over time.

"Talking about sexual selection among orchids is an important way to generate new thinking about plant mating patterns," Dr. Nilsson said.

He and his colleagues have not yet determined exactly what makes the orchid attractive to hawkmoths, but he proposes that large, fragrant blooms, or an abundance of blossoms that stay open for a long time, are obvious places to start looking.

IN BRIEF

Killer Root Fungus Hits Oaks

WASHINGTON (UPI)—Cork oaks, whose bark is the source of commercial cork, are dying in the heart of their range: Portugal, Spain, Italy, Morocco and Tunisia.

According to a report in the current *Nature*, they are the latest species to fall to one of the world's worst plant diseases—a soil-dwelling fungus called *Phytophthora cinnamomi* that kills roots. It is thought to have spread from New Guinea many years ago.

It is the main fungus that wiped out the chestnuts of the eastern United States early in this century and that has been killing European chestnuts since the 1940s. In California, it is attacking walnuts, avocados, almonds and apricots. In Maryland, it infects peaches. In Australia, it is felling eucalyptus forests. In central and eastern Europe, it is extirpating some oak species.

Photo: Dark Side of Asteroid

LONDON (UPI)—British astronomers have taken the first ever picture of the dark side of an asteroid—and they took the photograph while the 2-mile-wide lump of rock was travelling at 85,000 miles an hour.

The asteroid, named Toutatis, passed Earth this week at a distance of 2 million miles (3.2 million kilometers). While many pictures have been taken of asteroids, this is the first time that the side of the cosmic body facing away from the sun has been caught by a telescope.

FDA to Allow Synthetic Hash

CHICAGO (AP)—A synthetic form of the ingredient in marijuana that produces the high has won Food and Drug Administration approval for use against the wasting effect associated with AIDS.

Doctors said the drug, called dronabinol and marketed as Marinol, helps overcome severe nausea and stimulate the appetite of AIDS patients, who often suffer severe weight loss. Dronabinol is a synthetic form of THC, or tetrahydrocannabinol, the main active ingredient in marijuana and hashish.

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INTERNATIONAL Herald Tribune

About 'Ethnic Cleansing'

The term "ethnic cleansing" showed up in The Washington Post for the first time about a year and a half ago...

conquered areas of the "inferior races" that inhabited them. Most people have never accepted that terminology...

Force for Bosnians

Conscience Compels

There is no easy way in Yugoslavia. Serbia's election result dashes hopes that the strongman Slobodan Milosevic would be removed peacefully...

one Serb in three voted to repudiate his savage vision. Now it is up to a diffident world to begin treating Mr. Milosevic like the war criminal he is.

Milosevic Remains

As a practical matter, it is not too important whether Serbian hysteria or Serbian cheating brought Slobodan Milosevic, the war candidate and accused war criminal, victory at the polls over Milan Panic...

There was a time (it was missed), and there will perhaps again be a time, to weigh the legitimate Serbian claims that arose when Croatia, Slovenia and Bosnia were granted independence...

Foreign Policy Team

President-elect Bill Clinton has assembled an experienced foreign policy team wise in the ways of Washington and skilled, variously, at devising policies and effecting them.

His qualifications are enhanced by his insight, as well, into domestic affairs, including police reform in Los Angeles.



So That Marines Need Not Land in Africa Again

By Jimmy Carter

ATLANTA — We all watched as the U.S. Marines landed on the beaches of East Africa, greeted by network anchors and scores of exhausted relief workers.

to provide these basic services for a continent of impoverished children. First, not all Africans are poor. In fact, Africa as a whole has made steady progress and only recently began sliding back into poverty...

tries now spend little more than 10 percent of their budgets on basic needs, in part because of weapons purchases and payments on their foreign debts.

U.S. Transition as Golden Opportunity for Japan

By Kenneth S. Courtis

TOKYO — In President-elect Bill Clinton's two-day economic conference last week, what little attention was accorded to the international economy concentrated on the short-term outlook.

the postwar international system. As a result, defense and security issues were treated largely in isolation from issues of trade, finance and macroeconomics.

been Asia's main market. This situation, however, is not sustainable. North America is not growing quickly enough and must work to reduce its ballooning deficits.

About Economic Policy

By Gar Alperovitz

WASHINGTON — How much do new economic policies really matter? Has federal economic policy ever had a major impact on 20th-century American economic experience?

likely to be moderate, and middle-class opposition to new taxes will constrain new public spending.

As the relative position of U.S. companies in the booming markets of Asia weakens, the ability of America to participate in the region's growth declines.

Hurrying To Polish His Record

By Jim Hoagland

WASHINGTON — George Bush is spending his final month in office intent on refurbishing his abruptly diminished place in history.

Boris Yeltsin seeks to hurry a final summit with Mr. Bush in Alaska, and to associate Bill Clinton with the meeting.

Despite recent hardening of public positions, there is late behind-the-scenes movement on the Uruguay Round negotiations.

At this late hour, the arms control and trade efforts risk being overtaken by the clock.

His rediscovered activism, evidenced visibly in Somalia and ex-Yugoslavia, is at heart a natural reflex that has been encouraged by his White House chief of staff and former secretary of state, Jim Baker.

But in history's rearview mirror, this new surge of acts and words will be seen against the background of a year in which President Bush steered away from some of the hard calls on foreign policy that he is now willing to make.

Mr. Baker and Mr. Bush were undoubtedly prefer to be remembered for this brave new period of feeding starving Somalis and trying to ease the suffering of those who live in the nameless hell of Sarajevo rather than for a passport file scandal or for the polling back of American leadership in world affairs that followed the surfacing of voter discontent with Mr. Bush's deep involvement in foreign affairs.

The writer, a strategist and senior economist with the Deutsche Bank Group in Asia, lectures at Keio and Tokyo universities. He contributed this to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: The Devil's Rail

BRUSSELS — Although the Congo has not as yet its railway, it has had its first railway accident.

1917: Gifts for Venetians

VENICE — American Christmas cheer will be carried to the Italian soldiers in the trenches and to sick and wounded soldiers in and around Venice by Mr. Carroll, the American Consul-General, acting for the American Red Cross.

chiefs, tobacco, food, sweets and some discursive present. The city remains comparatively calm and undisturbed by the recent renewal of the enemy's pressure on the Lower Piave and by his line 12 miles east of the city.

1942: A U.S.-Mexico Pact

WASHINGTON — [From our New York edition:] Cordell Hull, Secretary of State, and Francisco Castillo Najera, Mexican Ambassador in Washington, signed the United States-Mexico reciprocal trade agreement today (Dec. 23), providing for mutual tariff reductions on a long list of commodities.

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OPINION

Our Progress Isn't Only Forward

By William Pfaff

PARIS—Christmas arrives this year to considerable cheer in the United States. The quadrennial pace of American political life provides a rhythm of new beginnings. The system attracts new figures to the presidential competition as well as to Congress. Who a year ago could have felt confident in a victory for Bill Clinton, then thought one of the feeblest and more vulnerable candidates?

Now he goes triumphantly to the White House, with a formidable deputy and new men and women to take charge throughout the government.

The characteristic American optimism depends in part upon this capacity for regular renewal, which is in the structure of the constitutional system. It is an important asset, compared with parliamentary systems in which leading political figures only slowly are replaced, and where rivalries among durable leaders can block an entire generation from power, with dispiriting consequences for public morale.

But 1992 has not otherwise been a good year, and 1993 promises to be a worse one. The industrial economies seem largely stuck in recession and unemployment, signs of relief sparse; and Mr. Clinton's own room for economic maneuver is narrow.

The European Community is in disorder. Elsewhere, much of the Third World drifts more deeply into ethnic and communal disorders, or toward the anarchic violence that brought famine and foreign intervention — to Somalia.

Widened war in Bosnia-Herzegovina and probably in Serbia seems certain. The Western governments have done their best this year to ignore the terrible events in the former Yugoslavia, and the implications of Serbia's radical defiance of the rules of civilized conduct that all

had thought established in Central and Eastern Europe, as well as in the West, after what happened from 1940 to 1945.

This belief was wrong. In this region, time was suspended by Soviet occupation or Communist indoctrination, and mentalities prove not greatly changed from what they were when our last "racial" war began, under the auspices of Hitler.

This goes against the modern Western convention that assumes the existence of political progress.

A century ago progress scarcely seemed open to question. From the French Enlightenment and the Declaration of Human Rights, through Charles Darwin's demonstration of evolution in the animal order, to the popular emancipations and reforms with which this century began, few doubted that men and women were becoming better, and society was marching forward.

Even those skeptical of moral improvement in man had to recognize the institutional progress taking place in society, in parallel with imposing strides in scientific knowledge and technology.

Then came World War I, and its insane and seemingly interminable slaughter. An unprecedented phenomenon followed: the totalitarian state and society.

And then another war, a racial and genocidal one this time, which ended with one totalitarianism still in place, half of Europe under its control. Institutional "progress" in society had proved to be movement in more than one direction.

Since the war, the recovery of democratic Europe and the creation of a Western moral as well as economic community, together with democratizing reforms elsewhere, and then the implosion of the Soviet system, victim of its own evil, seemed once again to justify at least a guarded belief in progress.

But what progress? In the moral nature of man? The events of the last year in what was Yugoslavia must surely disabuse the most confident.

One can comprehend the disorders of Somalia or the struggle in Liberia as part of an old history of fearful power struggles in backward societies. Communal conflict in Sudan or Sri Lanka, as during the last few weeks in India, is connected with the struggle of people to understand religious truth and make it prevail, and this is comprehensible in terms of the paradoxes by which good intentions are connected with evil.

But the sadistic and capricious individual cruelties, mass rapes, random torture among old neighbors and acquaintances and arbitrary destruction loosed in the former Yugoslavia this year send the case for progress reeling. Or so it seems to me.

I do not mean that the combatants in Yugoslavia are uniquely evil. Quite the contrary. I think they have shown what the rest of us are capable of. The demonstration is a deep shock. They have shown us how fragile and provisional are the institutional and cultural defenses we possess against our own capacity for evil.

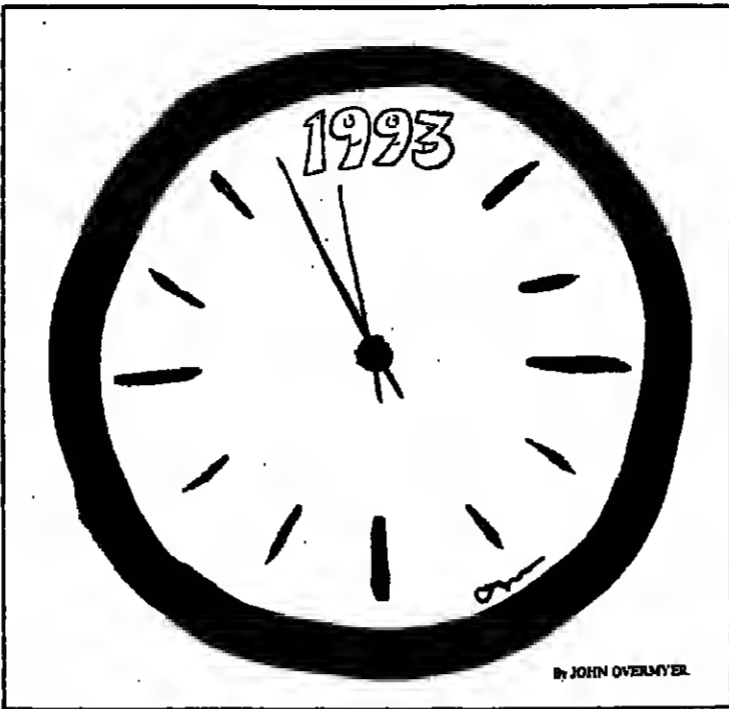
A Christian finds in this a reason to observe Christmas this year in fear and humility, looking for consolation in the meaning of Christmas itself, that of a divine intervention into history to allow men and women to transcend this terrible and frightening freedom we possess to become our worst self.

We have no reason today to think that things are going to be better in 1993. In 1993 we may have all that we can manage in keeping them from getting worse. Moreover, it is clear now that the United States will have to continue to assume the largest responsibility in this public effort.

One of the most important events of 1992 was the abject failure of Western Europe to address the crisis in Europe. That is one reason it is necessary now to think again about the future, and about the relations among the democracies.

May Mr. Clinton's Christmas — and ours — be happy. Afterward, there is work to do.

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By JOHN OVERMYER

The Post-Cold War Chill: McCarthyism Lives On

By Nicholas Daniloff and Robert Cullen

WASHINGTON — The Cold War has ended but the worst of its spawn, McCarthyism, lives on. The McCarthy method had an ingenious simplicity. Take an irrefutable charge that someone was in the employ of the Kremlin. (It's impossible, of

course, to prove the negative, that someone was not working secretly for the Communists.) Add a press willing, for the sake of a sensational, cloak-and-dagger story, to print the unverified charge. The result can be a ruined life.

MEANWHILE

There are more pressing problems in the world, particularly in the former Yugoslavia and in Somalia, where human beings are being killed or are dying of starvation. The Holy See's attention is misplaced.

CARLO MARTINO, Cergy-Pontoise, France.

Bill Clinton's support of the right of women to have abortions. There are more pressing problems in the world, particularly in the former Yugoslavia and in Somalia, where human beings are being killed or are dying of starvation. The Holy See's attention is misplaced.

CARLO MARTINO, Cergy-Pontoise, France.

Why Not Illyria?

Let the new Balkan state call itself Illyria. The Illyrians lived in the region of Skopje in the 4th century B.C. — contemporaries of that great Macedonian, Alexander. Later they formed a province of the Roman Empire and still later a part of the Byzantine Empire. No fewer than six of the later Roman emperors, including Aurelian, Diocletian and Constantine the Great, were of Illyrian origin.

STAFFAN EKESON, Seville, Spain.

Defending Mia and Woody

Regarding "Fear of Flirting: Les Seize Previews" (Meanwhile, Dec. 8) by Erica Jong:

No one has slogged on longer and harder in the lonely cause of the American art film (or, more simply, adult movies) than Mia Farrow and Woody Allen. However ugly and disastrously public their private trials have become, there remains much to be respected in both of them. Nothing can justify Ms. Jong's wreaking vigilante justice on Mr. Allen. Her disregard for one man's basic rights undercuts the generous, tolerant views she claims to support.

JOHN COOK, Arles, France.

LETTERS TO THE EDITOR

An Unnecessary Jolt

The New York Times editorial in your Nov. 18 edition, entitled, "Yes, Jolt the Economy," suggests that an economic stimulus package of a hefty \$60 billion in infrastructure spending and temporary tax cuts on business investments is called for to ignite an economic recovery in America. This in turn, it is claimed, will result in an increase in consumer confidence, hence, more private spending, which will buoy the country out of the economic doldrums.

Consumer confidence is down not because of an irrational public that need only be encouraged to start healthy spending patterns, but because of judicious restraint by the public after a long period of overpurchasing. If the current recovery is slower than some would like, it is partly attributable to high levels of consumer debt.

Infrastructure projects are notoriously slow in delivering benefits. Down the road, the biggest problem will not be sluggish growth but an increasingly heated economy whose main worry will be inflation. Better the incoming president use his fleeting electoral mandate to make the tough decisions — like a deficit reduction plan focusing on entitlements and consumption-based revenue enhancement — than worry about making friends in Congress by dishing up pork.

KEITH GENTILE, Barcelona.

All these congressmen with "long years of experience" were the same men who created the savings and loan crisis by approving laws that deregulated the banking industry. Then, when problems arose, they hid their heads in the sand. Are they really the only ones in America who can get us out of this mess?

SANDRA R. WERTH, St.-Nom-La-Bretèche, France.

Burdens in the East

In "Europe Has to Wake Up to Its Burdens in the East," (Opinion, Dec. 17) Giles Merritt points to many of the obstacles that threaten the future of Europe. However, he is wrong to claim that the problems of the East European countries were not touched upon at the Edinburgh summit meeting.

In fact, the European Council warmly welcomed a detailed report by the commission containing concrete suggestions on how the European Community can further develop trade, political, security, economic and legal ties with these countries in preparation for their future membership.

NICO WEGTER, Spokesman, external relations, EC Commission.

On Beaches in Latvia

Regarding "Fragile Wings Over a Latvia Beach" (Opinion, Dec. 1):

Contrary to Vasily Aksyonov's statement about "near deserted beaches," the beaches I visited this summer (the same ones he described) were crowded with Latvians and Russians.

Mr. Aksyonov writes that "Latvia is doing its best to create a time bomb, ready to explode with ethnic hostility."

Anyone who spends time in Latvia as I did last summer will understand that Latvians and Russians get along well. But Moscow Central is working overtime to project the fiction that they do not. If Latvia is perceived as another European center of ethnic unrest, then, perhaps, U.S. investors will be chary about doing business there.

Latvia is, in fact, a promising place to do business and wonderful place to live.

JOHN MATHER, President, Rolfe Inc., New York.

Top Billing for Men?

During the presidential election, Bill Clinton made U.S. economic policy the center of his campaign. On Dec. 11, he named Laura D'Andrea Tyson to head the White House Council of Economic Advisers, Donna E. Shalala to be secretary of health and human services, Carol M. Browner to direct the Environmental Protection Agency and Robert B. Reich to be labor secretary. Your headline was, "Reich to Be Labor Secretary, and 3 Women Get Top Posts" (Dec. 12).

Sexism is not only thinking of women as incapable. It is also believing that actions involving men are more important and deserve top billing over actions involving women.

DAVID SMITH, Paris.

Issues of Life and Death

As a Roman Catholic who has been an acolyte of the church all of my life, I was deeply disturbed by the Nov. 9 report, "Vatican Paper Cautions Clinton Over Abortion." According to the report, L'Osservatore Romano expressed concern over President-elect

chief for The Washington Post. He often won the competition, and attribute them now, to the factors that always make for a good foreign correspondent. Mr. Doder had years of experience in Moscow and Eastern Europe, he spoke fluent Russian, and he worked long into every night, meeting with sources and poring over the turgid Soviet newspapers.

An American correspondent's life in Cold War Moscow was too complicated to fit easily into the Manichean worldview of some intelligence types. A good correspondent went out of his way to encounter sources that he knew were either KGB agents or under KGB control. He had to, since the KGB controlled so much of the information and so many of the contacts with Westerners. The trick for the correspondent lay in sifting through the drudge and picking out the real information, and Mr. Doder did this well.

But to some people in both the U.S. and Soviet intelligence communities, an American correspondent who got exclusive information and who met with KGB agents was, ipso facto, either a paid traitor or a dupe. Thus, the original allegations against Mr. Doder were made quietly in 1986, investigated by The Post and the FBI, and refuted.

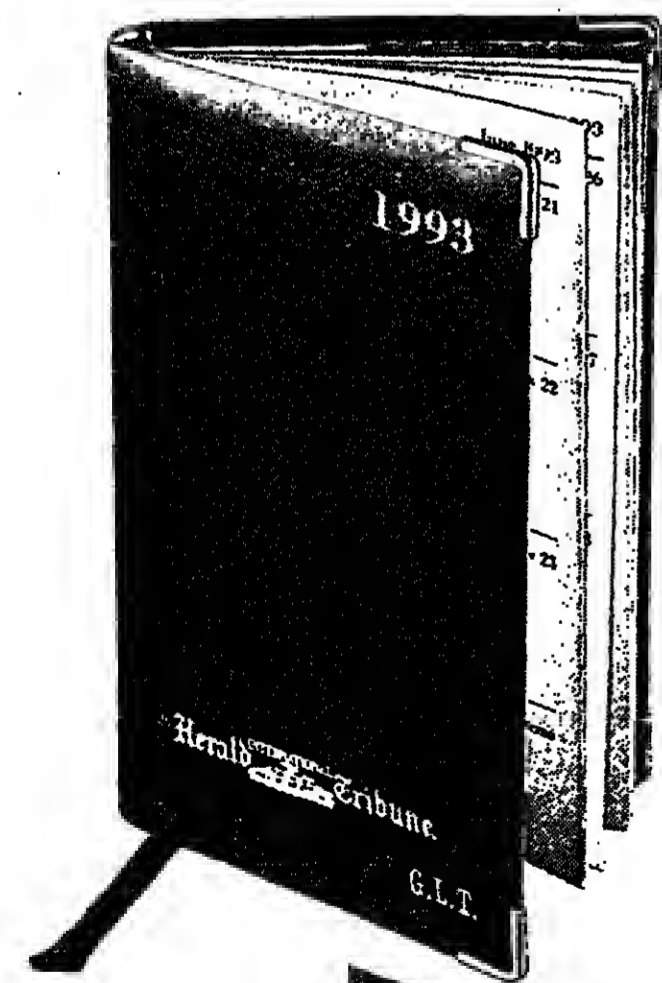
Time magazine devotes two pages to the allegations in its current issue, despite its own acknowledgment that they are unproven. Time, in recent years, has shot itself in the foot repeatedly on espionage stories. Its "exclusive" on the alleged KGB penetration of the U.S. Embassy in Moscow was repudiated by the magazine's own Washington bureau. Its "expose" of the Pan Am 103 conspiracy relied on a thoroughly discredited source. The Doder story will not add to the magazine's reputation.

Perhaps that doesn't matter to the hot tom-line hordes at Time-Warner. But reputation is precious to a journalist. I wonder how Mr. Doder can get his back. We can only hope that the new ad administration has the sense to rein in its deconstructed Manicheans in its sp. shops. And that the press discovers the discipline to refrain from printing unverified aspersions on a person's patriotism. Then McCarthyism, like the Cold War, might be laid to rest.

Mr. Daniloff and Mr. Cullen works in Moscow for U.S. News & World Report and Newsweek, respectively. The contributed this comment to the International Herald Tribune.

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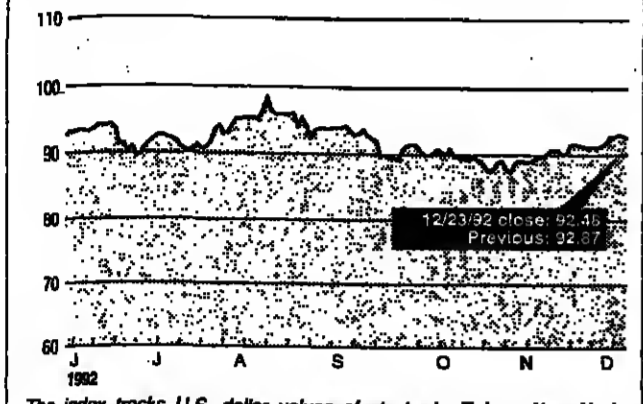
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Asia/Pacific	Europe	N. America
Approx. weighting: 35%	Approx. weighting: 40%	Approx. weighting: 25%
Close: 87.15 Prev: 87.13	Close: 92.10 Prev: 92.75	Close: 98.50 Prev: 98.98

Industrial Sectors	Vol. change	Pre. change	% change
Energy	92.34	92.74	-0.43
Utilities	88.07	88.26	-0.22
Finance	85.54	85.61	-0.08
Services	102.74	102.09	+0.70

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to Trib Index, 101 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

INTERNATIONAL MANAGER

Lasers and Computers Aid Retailer's Control Goals

By Barnaby J. Feder
New York Times Service

MINNEAPOLIS — Every day during the hectic run-up to Christmas, customers at the more than 500 Target discount stores in the United States find empty display racks where hundreds of different products ought to be. Are executives here at Target's headquarters frantic over lost sales? No way.

The average Target store handles about 60,000 items when variations in size and color are taken into account. Some empty shelves are inevitable in a world where suppliers sometimes fail to deliver, consumers respond unpredictably to sales, weather changes can cause runs on certain products and small items can be stolen. But any mass merchandiser like Target that manages to keep roughly 99 percent of its products on display at any given moment ranks among the industry's leaders.

Target has managed its healthy "in-stock" average despite joining other retailers in ordering less for the current Christmas season. When buyers started making commitments for Christmas last spring, the modest recovery was nowhere in sight and memories of excess stocks from the last holiday season were fresh — a situation they vowed to avoid this year.

Inventory management skills that would have dazzled previous generations have become a prerequisite for keeping clearance sales to a minimum and wringing modest profit increases from today's crowded, fast-changing retail markets.

Target has cut its inventories by about \$800,000 a store, or about \$400 million overall, for the year, said Donald Heide, the company's executive vice president in charge of distribution. Target had sales of more than \$9 billion last year and is on a pace to finish at about \$10.4 billion this year.

Target's experience, provides a study in sound strategy, the benefits of technology and some of the nitty-gritty operational details that can make the difference between a passably merry holiday and a disastrous one for retailers.

Target's drive to cut overhead began in earnest in the mid-1980s, when the chain set out to ride two waves now roaring through the

See TARGET, Page 13

U.S. Economy Keeps on Cruising

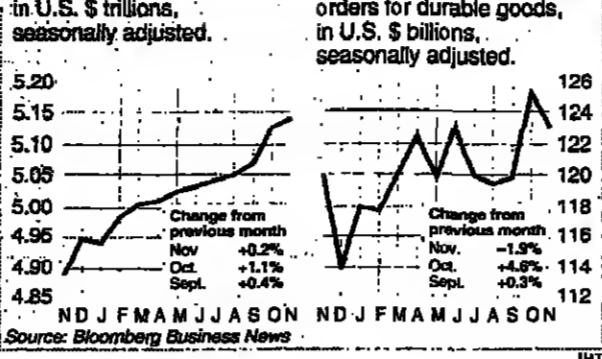
By Lawrence Malkin
International Herald Tribune

NEW YORK — Orders for durable goods showed underlying strength last month and consumers kept spending money in growth in their incomes. The Commerce Department reported Wednesday, two signs that a moderate economic recovery is continuing.

Special factors distorted both reports, but financial markets accepted them with barely a blip in quiet pre-Christmas trading. They were the last major statistical indicators of the year, raising the intriguing question of how markets will learn to live with good news.

High Johnson, chief strategist at First Albany Securities, focused on how the Clinton administration will perform next year and warned that "a new Democratic administration could bring lots of surprises," especially from a party that has been out of power for 12 years. This could overshadow the factor of steady economic growth, he said, and break the calm for stocks, bonds and the dollar.

U.S. Slow-Growth Formula



In Wednesday's numbers, an expected decline in aircraft orders from recent highs helped durable goods orders down by 1.9 percent. Excluding transportation, though, orders rose 1 percent. Another depressant is one that is likely to continue, a 6.8 percent decline in defense orders.

But excluding these factors, Edward Yardeni of C.J. Lawrence said, "Orders are approaching record highs." He pointed to a 3.2 percent increase in shipments of nondurable capital goods as a sign of a solid gain this quarter of spending on new equipment, which, according to studies for President-elect Bill Clinton, give more bang for a buck than any

University of Michigan reported that its final survey of consumer sentiment for the month was virtually unchanged from the preliminary survey at 91.0, up from November's 85.3.

David Kelly of Boston Co. Economic Advisors compared durables and confidence figures and noted that order backlogs have been declining for more than a year, which suggests none of the substantial pent-up demand for consumer durables that often powers a recovery. "This means the recovery is only gradually gathering steam and is not as powerful as suggested by recent consumer confidence figures," he said.

Can financial markets live with this? "Our summer rally came late on the stock market, and the famous 'January effect' has already come early," Mr. Johnson said, "so I guess that all the good things we hope to happen in 1993 have already been discounted."

"What we'll find out next year is whether we were right or wrong," he added.

Mr. Kahane at Fuji was worried by the chance of volatility. He warned that a false statistical sign of a stronger recovery — perhaps two strong numbers in a row — might bounce markets upward, only to leave them disappointed when signs of moderate growth returned. But he said that the inflation fears that have already been built into the bond market offered some protection.

More Political Surprises In Store for Taiwan's Battered Stock Market

By James Bates
Los Angeles Times Service

TAIPEI — Taiwan's crowded political calendar is likely to reserve more surprises for a stock market that, jolted by election results last weekend, has fallen 5.7 percent in three days, analysts said Wednesday.

On Wednesday, the market plummeted 3.7 percent in a sell-off sparked by fears of a major confrontation between the opposition and the long-ruling Nationalist Party.

The market's weighted index sank 131.82 points to 3,448.15, its lowest level since Sept. 29, when it was reeling from a string of stock payment defaults totaling 9 billion Taiwan dollars (\$350 million). Volume on Wednesday was a heavy 16.2 billion dollars, the most active trade since mid-October.

The fall in the market's accumulated losses to 5.7 percent since the ruling party suffered a serious political setback in Saturday's parliamentary elections.

"The market is shaking because people are losing confidence in political stability," said Hong Chi-ming of Top Soon Portfolio Securities. "A small rebound is possible, but the index will fall again after that," said David Liu of Chief Securities.

Wednesday's drop was triggered by news that prosecutors had uncovered apparent vote-rigging in a district where a Democratic Progressive candidate had lost to a Nationalist candidate. Investors feared the DPP would react strongly by staging street protests or attacking the Nationalists in parliament.

Even if the voting issue is resolved, political worries will weigh on the market for months, brokers said. They noted that in the next few months there will be at least several periods of political tension that could send the market plunging again.

The government has said the prime minister will resign, though the date has not been set. The new parliament is to open in February, and the Nationalists are expected to hold a crucial party congress in the first half of 1993.

In addition to political conflict, some investors worry about the DPP's stance toward business. The party gained support largely by attacking "money politics," in which wealthy businessmen influence government policy, and has vowed to press for greater spending on social welfare.

Still, brokers said the index should have strong support at 3,300 points as insatiable investors would emerge to buy blue chips at their lows.

U.S. Carriers Raise Airfares Move Beats Government Bid to Curb Hikes

Compiled by Our Staff From Dispatches

NEW YORK — Major U.S. airlines are raising fares on Christmas Eve even as the government tries to make price increases a riskier venture for them.

The Justice Department, which sued eight major airlines Monday over their pricing policies, wants to install a system that would make airlines likely to lose business if they tried to raise prices and their competitors did not do likewise.

The latest fare increases, announced Tuesday, appear to be part of an effort to get in as many rises as possible before the government makes it more difficult, said Tom Parsons, editor of Best Fares magazine, which tracks ticket prices.

Starting Thursday night, one-way, unrestricted tickets for major U.S. carriers are to rise by \$10 to \$80. The increase affects tickets most often purchased by business travelers. Leisure travelers will face \$10 to \$80 increases on round-trip fares purchased three days in advance for trips that include a Saturday night stay.

Sample one-way fare increases include a \$630 fare from New York to Los Angeles, up from \$570.

The Justice Department's three-year investigation of pricing focused on how carriers use the Airport Tariff Publishing Co., which is owned by several of the large U.S. airlines that were named in the suit — Alaska Airlines, American Airlines, Continental Airlines, Delta Air Lines, Northwest Airlines, Trans World Airlines, United Airlines and USAir.

The computer system allows travel agents and passengers to get advance word of price changes. The problem is, the government said, other airlines also learn about the changes and can coordinate fare increases.

Airlines describe it as a fast and efficient method to help passengers find the best fare possible. The Department of Justice calls it price fixing and illegal. Currently, airlines announcing fare increases in

France Brings Aerospatiale and Dassault Closer

By Roger Cohen
New York Times Service

PARIS — In a further sign of the difficulties of the world defense and aerospace industries, the two leading French aircraft makers, Aerospatiale and Dassault Aviation, announced significant steps Wednesday toward merging their activities and said they were open to partnerships with other European manufacturers.

Both Aerospatiale, which is 100 percent state-owned and has a 37.9 stake in the European commercial aircraft consortium Airbus, and Dassault, which is also state-controlled and is best known for its Mirage fighters, have been hit hard by declining orders. Earlier this month, for example, Northwest Airlines canceled or delayed orders worth \$6.2 billion from Airbus.

Under the agreement, a state holding company will effectively become the vehicle for integrating the two companies, whose combined sales last year totaled 63 billion francs (\$11.9 billion). The holding company is Societe de Gestion de Participations Aeronautiques, or Sogepa.

Aerospatiale's chairman, Louis Gallois, will become president of the holding company and Dassault

chairman Serge Dassault will become its vice president. At the same time a joint committee overseeing research and development, strategy, and commercial policy for Aerospatiale and Dassault is to be established.

Sogepa's holding in Aerospatiale will be increased from the current 7 percent through a transfer of shares from the French Treasury. An announcement said this increase would be "substantial," but did not elaborate.

Sogepa's holding in Dassault is also to be increased, to 36 percent from the current 20 percent through the transfer of shares previously held by the Treasury. In all, the state controls 45.7 percent of Dassault and 54.7 percent of its voting rights, with the balance held by the Dassault family or traded on the Paris Bourse.

The state's control of Dassault's voting rights goes back to the early 1980s when its founder, the late Marcel Dassault, avoided outright nationalization through a bargain with the government whereby he kept operating control but gave the state "super" voting rights. Successive governments have tried, hitherto in vain, to get Dassault to link up with state companies.

Earlier this week, Dassault received a boost through the Defense Ministry's approval for the production of the Rafale jet fighter, whose development cost is estimated at \$28.97 billion. The Dassault plane is due to be in service for the French Navy by 1998.

Although both Aerospatiale and Dassault insisted they would preserve their identities and that they were merely building on an already existing cooperation between them, it appeared that Sogepa was being readied as a potential vehicle for a full merger of the two companies. They have already worked together on research on new materials and the European space shuttle project, known as Hermes.

Aerospatiale, which makes missiles and helicopter, as well as commercial aircraft, reported a loss of 477 million francs for the first half of this year and announced that it would cut 1,150 jobs. Dassault, a specialist in military aircraft, saw its profit plunge by almost one-third last year to \$63.9 million francs.

Falling military budgets following the end of the Cold War and the impact on airline companies of a stagnant world economy have hit aerospace companies hard, forcing a pooling of resources. Two weeks ago Lockheed Corp. said it would buy General Dynamics Corp.'s fighter aircraft division for \$1.53 billion and last month Martin Marietta Corp. agreed to buy General Electric Co.'s aerospace division in a \$3.05 billion transaction.

The announcement by the two French companies said they would "be open to international partnerships, notably with European companies." This remark appeared as a snub to U.S. companies, reflecting French determination to develop and maintain a viable European aerospace industry.

Another Ross Fortune, for the Heirs

By James Bates
Los Angeles Times Service

LOS ANGELES — The heirs of Steven J. Ross, the late chief of Time Warner Inc., could stand to be the bigger financial fortunes in the United States over the next decade as a result of the unusually rich terms in his employment contract.

Compensation experts estimate that Mr. Ross's heirs will be paid at least \$300 million before taxes over the next 10 years and possibly as much as \$1 billion or more.

Any estimate carries risks, because the ultimate payout depends on how well Time Warner's stock performs and how parts of the

compensation are treated for tax purposes.

In the short term, details of Mr. Ross's contract indicate that his heirs will receive about \$30 million over the next three years in the form of life insurance payments and earnings derived under an unusual clause that requires New York-based Time Warner to continue paying Mr. Ross's base salary and annual bonus for three years after his death.

Although it is not unusual for companies to make a payment to family members upon an executive's death, continuing to pay a salary and bonus for years is rare.

"Off the top of my head, this seems unusual," said Ralph

Whitworth, president of the United Shareholders Association of America. "I don't know of any others like this out there."

Stock options on 7.2 million Time Warner shares could provide the largest chunk of money to Mr. Ross's heirs. Mr. Ross's options are unusual, according to executive pay expert Graef S. Crystal, in that they do not have to be exercised shortly after his death. Rather, they can be exercised any time over the next decade.

Those options are worth nothing now because Time Warner's stock is trading below the price at which they can be exercised.

But using a market estimate of 10 percent growth in Time Warner's stock price, Mr. Crystal estimates that they could be worth from \$225 million to \$250 million by the time they expire. If the company performs spectacularly, they could be worth \$1 billion or more.

A Time Warner spokesman declined comment on the details of Mr. Ross's contract.

Mr. Ross, 65, died Sunday in Los Angeles and is survived by his wife and three children.

Mr. Ross's compensation of more than \$78 million in 1990 triggered a national debate over executive pay. But his defenders — and even many of his harshest pay critics — noted that shareholders did well with Mr. Ross over the years, averaging an annual return of nearly 24 percent from 1973 until 1990, when Warner and Time merged.

INVESTMENT OPPORTUNITY

A Freehold Golf and Country Club Development situated within easy reach of central London yet in the centre of the Green Belt Countryside around the city with excellent motorway access seeks experienced investors. The freehold is available on a long lease for this high yielding project. For further information please contact: Box No. 670, International Herald Tribune, 63, Long Acre, London WC2E 9JH.

"Quadratus". A solid gold watch with the dial engraved in the "Clou de Paris" pattern.

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SUISSE

Automatic mechanical movement with date and second hands. Water-resistant. Also in white gold. For a brochure, write to: Corum, 2301 La Chaux-de-Fonds, Switzerland.

CURRENCY & INTEREST RATES

Cross Rates									
	£	DM	FF	Yen	S.P.	S.F.	Yen	CS	Peru
American	1.528	1.221	1.377	1.637	1.261	1.228	1.272		
British	1.000								
French	6.55								
German	0.78	1.000							
Japanese	109.0	160.8	193.6	1.000					
Swiss	1.48	1.48	1.48	1.48	1.000				

Eurocurrency Deposits			
	Dollar	D-Mark	Swiss Franc
1 month	3 1/2-4 1/2	8 1/2-9 1/2	6 1/2-7 1/2
3 months	3 3/4-4 3/4	8 3/4-9 3/4	6 3/4-7 3/4
6 months	3 1/2-4 1/2	8 1/2-9 1/2	6 1/2-7 1/2
1 year	3 1/4-4 1/4	8 1/4-9 1/4	6 1/4-7 1/4

Key Money Rates			
	United States	Britain	Germany
Discount rate	5 1/2	10 1/2	7 1/2
Prime rate	6 1/2	11 1/2	8 1/2
3-month CD	5 1/4	10 1/4	7 1/4
3-month T-bill	5 1/4	10 1/4	7 1/4
3-month Euro	5 1/4	10 1/4	7 1/4
3-month JGB	5 1/4	10 1/4	7 1/4
3-month Swiss	5 1/4	10 1/4	7 1/4
3-month Italian	5 1/4	10 1/4	7 1/4
3-month Spanish	5 1/4	10 1/4	7 1/4
3-month Greek	5 1/4	10 1/4	7 1/4
3-month Portuguese	5 1/4	10 1/4	7 1/4
3-month Dutch	5 1/4	10 1/4	7 1/4
3-month Belgian	5 1/4	10 1/4	7 1/4
3-month Luxembourg	5 1/4	10 1/4	7 1/4
3-month Ireland	5 1/4	10 1/4	7 1/4
3-month Austria	5 1/4	10 1/4	7 1/4
3-month Portugal	5 1/4	10 1/4	7 1/4
3-month Greece	5 1/4	10 1/4	7 1/4
3-month Spain	5 1/4	10 1/4	7 1/4
3-month Italy	5 1/4	10 1/4	7 1/4
3-month France	5 1/4	10 1/4	7 1/4
3-month Germany	5 1/4	10 1/4	7 1/4
3-month Japan	5 1/4	10 1/4	7 1/4
3-month Korea	5 1/4	10 1/4	7 1/4
3-month Taiwan	5 1/4	10 1/4	7 1/4
3-month Hong Kong	5 1/4	10 1/4	7 1/4
3-month Singapore	5 1/4	10 1/4	7 1/4
3-month Malaysia	5 1/4	10 1/4	7 1/4
3-month Thailand	5 1/4	10 1/4	7 1/4
3-month Philippines	5 1/4	10 1/4	7 1/4
3-month Indonesia	5 1/4	10 1/4	7 1/4
3-month Vietnam	5 1/4	10 1/4	7 1/4
3-month Cambodia	5 1/4	10 1/4	7 1/4
3-month Laos	5 1/4	10 1/4	7 1/4
3-month Myanmar	5 1/4	10 1/4	7 1/4
3-month Brunei	5 1/4	10 1/4	7 1/4
3-month Timor	5 1/4	10 1/4	7 1/4
3-month East Africa	5 1/4	10 1/4	7 1/4
3-month South Africa	5 1/4	10 1/4	7 1/4
3-month New Zealand	5 1/4	10 1/4	7 1/4
3-month Australia	5 1/4	10 1/4	7 1/4

THORN EMI plc.
(CDRs)

The undersigned announces that the Interim Report for the period ended 30.09.1992 of Thorn EMI plc. will be available in Amsterdam at:
ABN AMRO Bank N.V.,
BANK MEES & HOPE N.V.,
PIERSON, HELDRIJG & PIERSON N.V.,
KAS-ASSOCIATIE N.V.

AMSTERDAM DEPOSITORY COMPANY N.V.

Amsterdam, December 18, 1992.

INGERSOLL-RAND
(CDRs)

The undersigned announces that the Third Quarterly Report 1992 of Ingersoll-Rand will be available in Amsterdam at:
ABN AMRO Bank N.V.,
BANK MEES & HOPE N.V.,
PIERSON, HELDRIJG & PIERSON N.V.,
KAS-ASSOCIATIE N.V.

AMSTERDAM DEPOSITORY COMPANY N.V.

Amsterdam, December 18, 1992.

ROTHMANS INTERNATIONAL p.l.c.
(CDRs)

The undersigned announces that the Interim Report for the period ended 30.09.1992 of Rothmans International p.l.c. will be available in Amsterdam at:
ABN AMRO Bank N.V.,
BANK MEES & HOPE N.V.,
PIERSON, HELDRIJG & PIERSON N.V.,
KAS-ASSOCIATIE N.V.

AMSTERDAM DEPOSITORY COMPANY N.V.

Amsterdam, December 18, 1992.

MARKET DIARY

Drug Issues Slump As Rally Sputters

Compiled by Our Staff From Dispatches NEW YORK — U.S. stocks closed slightly lower Wednesday for the second consecutive day in a market soured by downbeat predictions about the pharmaceutical sector.

A prediction of slower earnings growth among drug companies by a highly regarded analyst prompted investors to sell off shares.

The Dow Jones industrial average fell 7.56 to 3,313.54, led by a drop in Merck & Co.

Declining issues narrowly outnumbered advances on the New York Stock Exchange. Trading was active, with more than 228 million shares changing hands on the Big Board, down from 252 million shares Tuesday.

The Nasdaq Composite Composite index of over-the-counter issues moved against the trend with a gain of 2.08 to 662.92.

Drug stocks tumbled after Christina Heuer, an influential analyst at Smith Barney, Harris Upham & Co., said the industry's 1993 earnings probably would fall short of investors' expectations.

Citing a drop in worldwide prescriptions, she stated profit-margin growth and expectations of stiffer

frances from 1,4405 to 5,4420 French francs from 5.4230 to 5.5365. The British currency remained pressured by trade data released Tuesday, which showed the widest current-account gap in seven months.

The pound slid to \$1.5265 from \$1.5365. The British currency remained pressured by trade data released Tuesday, which showed the widest current-account gap in seven months.

The U.S. unit fell to 1.2603 Canadian from 1.2629. Dealers were at a loss to explain the move, which came despite apparent sales of the Canadian dollar for the American unit by the Bank of Canada.

Earlier in Europe, the outlook for U.S. economic growth in 1993 provided a small lift for the dollar. It rose to 1.5907 DM at the end of the day in London from 1.5870 DM on Tuesday. The dollar also rose to 123.85 yen from 123.65.

Several economic reports gave a bit of support to the U.S. currency. Personal income for November rose 0.2 percent, while personal spending was up 0.5 percent, raising hopes for gains in retail sales.

The dollar rose to 1.4440 Swiss francs from 1.4405 and to 5.4420 French francs from 5.4230.

Dollar Moves Higher On Corporate Buying

NEW YORK — Buoyed by corporate demand and a sentiment that European interest rates are likely to fall, the dollar rose against major currencies on Wednesday.

In light trading, the dollar rose to 1.5953 Deutsche marks from 1.5885, and to 123.80 yen from 123.70.

The dollar continued to benefit from statements Tuesday by the Bundesbank president, Helmut Schlesinger, indicating a possible decline in long-term German interest rates to below 6 percent and German inflation could drop to near 3 percent.

Skeptics, however, noted West German data for November showed inflation rising to a six-month-high of 3.8 percent from 3.7 percent in October. The rate is expected to jump close to 4.5 percent in January, reflecting an increase in value-added tax.

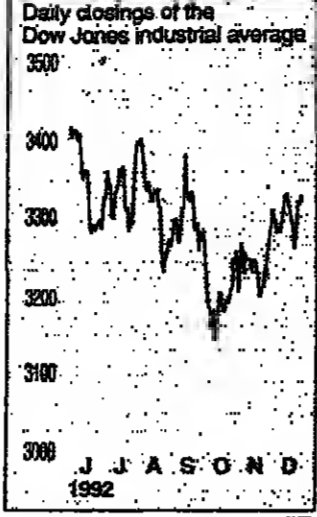
Another factor supporting the dollar was demand from corporations, traders said.

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WORLD STOCK MARKETS

Table of world stock markets including Amsterdam, Helsinki, Hong Kong, Brussels, Frankfurt, London, Milan, Sao Paulo, Zurich, and Toronto. Columns include stock names, prices, and changes.

The Dow



Dow Jones Averages

Table of Dow Jones Averages: Industrial, Transportation, Utilities, Finance, and Composite. Columns include Open, High, Low, and Close.

Standard & Poor's Indexes

Table of Standard & Poor's Indexes: Industrials, Utilities, Finance, and Composite. Columns include High, Low, Close, and Change.

NYSE Indexes

Table of NYSE Indexes: Composite, Industrials, Transportation, Utilities, Finance, and S&P 500. Columns include High, Low, Close, and Change.

NASDAQ Indexes

Table of NASDAQ Indexes: Composite, Industrials, Transportation, Utilities, Finance, and S&P 500. Columns include High, Low, Close, and Change.

AMEX Stock Index

Table of AMEX Stock Index: High, Low, Close, and Change.

Dow Jones Bond Averages

Table of Dow Jones Bond Averages: 30 Bonds, 10 Treasury, and Industrials. Columns include High, Low, Close, and Change.

Market Sales

Table of Market Sales: NYSE adv. cons. close, NYSE adv. cons. open, NASDAQ adv. cons. close, and NASDAQ adv. cons. open.

N.Y.S.E. Odd-Lot Trading

Table of N.Y.S.E. Odd-Lot Trading: Dec 23, Dec 22, Dec 21, Dec 20, Dec 19, Dec 18, Dec 17, Dec 16, Dec 15, Dec 14, Dec 13, Dec 12, Dec 11, Dec 10, Dec 9, Dec 8, Dec 7, Dec 6, Dec 5, Dec 4, Dec 3, Dec 2, Dec 1.

NYSE Most Actives

Table of NYSE Most Actives: IBM, AT&T, Amgen, and others. Columns include Vol., High, Low, Last, and Chg.

AMEX Most Actives

Table of AMEX Most Actives: Amgen, Amgen, Amgen, and others. Columns include Vol., High, Low, Last, and Chg.

NASDAQ Most Actives

Table of NASDAQ Most Actives: Amgen, Amgen, Amgen, and others. Columns include Vol., High, Low, Last, and Chg.

NYSE Diary

Table of NYSE Diary: Advanced, Declined, Unchanged, Total Issues, and New Issues.

AMEX Diary

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NASDAQ Diary

Table of NASDAQ Diary: Advanced, Declined, Unchanged, Total Issues, and New Issues.

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Table of European Futures: SOYBEANS (F00), SOYBEAN MEAL (F00), and SOYBEAN OIL (F00).

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Carolco Seen Getting \$120 Million

LOS ANGELES (UPI) — Carolco Pictures Inc. is expected to announce that investors led by Metro-Goldwyn-Mayer Inc. have agreed to make a \$120 million cash infusion into the troubled big-name movie producer.

MGM will acquire the producing talents of Mario Kassar, Carolco's chairman, and worldwide distribution rights to Carolco films. The studio, owned by a unit of Credit Lyonnais, has been trying to rebuild for the past year after the disastrous tenure of the Italian investor Giancarlo Parretti.

The tentative agreement calls for MGM to invest \$50 million in Carolco preferred stock and \$30 million in subordinated debt.

The restructuring also includes a \$60 million investment from Carolco's major investors: Pioneer LDCA Inc. of Japan, Canal Plus SA of France and RCS Video International Services BV of Italy. They will receive preferred stock and write off about 25 percent of their original equity investment.

They will also provide \$30 million in co-production financing.

Bristol-Myers Loses Implant Suit

HOUSTON (Reuters) — A jury Wednesday awarded \$25 million in damages to a Houston woman who said silicone-gel breast implants made by a subsidiary of Bristol-Myers Squibb Co. caused an autoimmune disease after rupturing inside her.

Bristol-Myers Squibb's stock tumbled \$5.75 to close at \$67.50 on the New York Stock Exchange. The company, said it would appeal the verdict.

Silicone-gel implants were taken off the market last January after the Food and Drug Administration called for a voluntary moratorium.

Resignation Hits Honeywell Stock

MINNEAPOLIS (Bloomberg) — Christopher Steffen, an architect of Honeywell Inc.'s financial turnaround, resigned as chief financial officer and executive vice president to pursue other interests, the company said Wednesday.

The stock fell \$1.25 to close at \$32.25. Mr. Steffen, 50, came to the maker of control mechanisms in 1989 from Chrysler Corp. During his tenure, Honeywell's stock doubled as the company bought back shares, cost cuts and restructured, said Mike Lauer, who follows the company for Kidder, Peabody & Co.

Wang's Loss Ballooned in Quarter

LOWELL, Massachusetts (Bloomberg) — Wang Laboratories Inc. said Wednesday that its loss ballooned in the quarter ended Sept. 30 because its revenue dropped 22 percent, outpacing efforts to cut costs and restructure operations.

The computer company, which is reorganizing under Chapter 11 bankruptcy protection, said its loss widened to \$66.6 million from \$9.8 million a year earlier. This year's figure includes a \$26 million charge for reorganization. Revenue dropped to \$360 million from \$461.1 million.

Ford Led Automakers in Mid-Month

DETROIT (Bloomberg) — U.S. sales of North American-made cars reached an estimated annual selling rate of 6.2 million in mid-December, down from 6.5 million in early December, but above the weak year-to-date pace of 5.3 million, according to automaker sales reports Wednesday.

General Motors Corp. posted slightly weaker-than-expected car sales. But Ford Motor Co.'s car sales were up a strong 39.8 percent from a year earlier, fueled by an all-out year-end marketing push for its Taurus sedan.

By volume, the 10 U.S. automakers sold 122,567 cars Dec. 11-20.

For the Record

Banc One Wisconsin Corp., part of Banc One Corp. of Columbus, Ohio, is to acquire First Financial Associates Inc. of Kenosha, Wisconsin, for \$76.7 million in stock.

VF Corp., the maker of Lee jeans based in Wyomissing, Pennsylvania, said it would pay \$154 million to buy the lingerie manufacturer Vies Vidal SA of Spain and its French affiliate, Jean Bellanger Enterprises.

United Asset Management Corp. is to buy Bell Rudman & Co., which manages \$1.1 billion primarily for individuals and families.

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Bramalea Granted Protection

TORONTO — Bramalea Ltd. has been granted protection from its creditors by an Ontario court to complete its restructuring plan.

The court order, which followed the company's filing on Tuesday, keeps creditors at bay until April 30 and gives the struggling developer time to reorganize its 4.9 billion Canadian dollars (\$3.8 billion) in debt.

A lawyer for the company, Lyndon Barnes, said the developer defaulted on some loans and was vulnerable to a forced bankruptcy or property seizures. Bramalea executives said the move was a way to get formal approval of agreements already reached with lenders. Bramalea plans to sell 1.6 billion dollars of properties to cut debt.

Market Closed

The stock market in Tokyo was closed Wednesday for a holiday.

Toronto

Table of Toronto Stock Market: Abitibi Paper, Alcan, and others. Columns include price and change.

Singapore

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Zurich

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For investment information read THE MONEY REPORT every Saturday in the IHT

Sweden's Party Nears An End as Recession Begins to Bite Hard

STOCKHOLM — After hearing for decades they had one of the world's highest living standards, Swedes are reluctant to accept they are heading for a record third year of recession.

Expensive greeting cards from state agencies land in mail boxes, paid for by the taxpayer. The traditional \$65 seasonal buffet at Stockholm's top restaurant is again a sellout, and retailers report healthy December sales.

Young nightclubs still line up in the bitter winter night for the privilege of paying up to \$7 for a beer, and boats from Finland cruise every day through the Stockholm archipelago carrying duty-free revellers.

"This is the calm before the storm," said Nordbanken economist Goran Johansson Grahn.

Life will become less cozy on Jan. 1, when a rise in the gasoline tax will lift the price of a liter by 1 krona to 8 kronor, or \$4.37 a gallon. Cuts scheduled in 1993 include loss of pay on the first day of sick leave, smaller housing subsidies and an effective reduction in pensions and allowances for children.

Spending also will be reduced on defense, police, Third World aid, scholarships and transport.

"Unless the government can hit on something, 1993 is going to be very uncomfortable," Mr. Johansson Grahn said.

Private consumption fell 0.5 percent in the third quarter of 1992 from the same period of 1991, and the Nordbanken economist said he expected the fourth quarter to be down as much as 3 or 4 percent from a year earlier.

Swedes also will be affected soon by the devaluation of the krona, which has fallen about 16 percent against the Deutsche mark since the central bank yielded to overwhelming speculative pressure and allowed it to float on Nov. 19.

"Imported goods have not really gone up in price yet, but this will happen in the new year, too," Mr. Johansson Grahn said.

Assar Lindbeck, chairman of a government economic think tank, believes that the country's gross domestic product will fall by 5 percent between 1991 and 1993. "You could say that we are on the edge of a depression," he said.

Swedish politicians have over the years distributed benefits which now cost too much, Mr. Lindbeck told the national news agency TT, adding that pensions, child and parental benefits, and work injury compensation together consume 35 percent of GDP.

Allianz Group Acquires 10% Of Veba Stock

FRANKFURT — Dresdner Bank said Wednesday it helped arrange the purchase of a 10.1 percent stake in Veba AG for an investor group including Allianz AG Holding as part of a tax-cutting strategy.

Veba, a diversified utility, would not comment.

An Allianz spokesman in Munich declined to comment except to say that an article about the deal in the Handelsblat newspaper was correct. The article said investors acquired the stake with the aim of reducing their tax burden, which can be done with the purchase of a minimum 10 percent stake.

A spokesman for Dresdner, which is 22.3 percent-owned by Allianz, confirmed the purchase but refused to say how big a stake the insurance company already had in Veba or who comprised the investor group. Die Welt, another daily newspaper, said Allianz already had 10 percent of Veba's shares.

Veba stock edged up 10 pfennig to 361.10 Deutsche marks, Wednesday. (Reuters, AFX, AFP)

EC Clears Ford-VW Venture

BRUSSELS — The EC Commission said Wednesday it has given clearance to Ford Motor Co. and Volkswagen AG to set up a joint venture in Portugal to develop and produce minivans.

The decision, which implicitly rejected a formal complaint by Matra SA, exempted the project from European Community antitrust rules until the end of 2004.

The commission set several conditions for its approval, including imposing a ceiling of 25 percent on the percentage of vans sold by Ford that may contain Volkswagen engines.

In addition, the two companies must sell different versions of the vehicle through their separate sales networks. They also are banned from extending cooperation to other types of vehicles or engines, and from exchanging any commercially sensitive information not necessary for the operation of the joint venture.

The commission initially approved the Ford-VW plant outside the southern Portuguese city of Setubal last year, saying the project would be a major boost to one of the poorest regions in the Community.

The plant is expected to cost 454 billion escudos (\$3.2 billion) and is due to receive 547 million European Currency Units (\$677 million) in Portuguese and EC aid. (AFX, Reuters, AP)

Four Shipping Firms Fined

The EC Commission said it had fined four shipping companies a total of 10.1 million Ecus for abusing their dominant market position on service between Northern European ports and Zaire, Reuters reported from Brussels.

The fine included 9.6 million Ecus against Belgian shipper CMB SA, and 500,000 Ecus divided between Woermann Linie and Dafa Line (both owned by CMB) and Nedlloyd Groep NV.

Mars Licks German Ice Cream Ban

BRUSSELS — The EC Commission on Wednesday ordered two German ice cream companies to suspend until 1998 arrangements that have kept Mars Inc. out of the German market.

The decision could have a big effect on sales practices in Europe's ice cream market, which is estimated at \$5 billion a year.

The European Community's executive stopped short of fining the two companies, Langnese-Iglo GmbH and Schöller Lebensmittel GmbH, for their exclusivity arrangements. Langnese-Iglo is a subsidiary of the Unilever group.

The German companies barred stores carrying their ice creams from selling Mars's line. The commission found this to be in contravention of competition rules under the EC's founding Treaty of Rome.

The German companies barred stores carrying their ice creams from selling Mars's line. The commission found this to be in contravention of competition rules under the EC's founding Treaty of Rome.

Mars is trying to break into European markets with a range of ice cream bars styled on its chocolate products. In Germany, it has penetrated supermarkets but is having difficulty getting into small retail outlets.

Last March, the commission ordered the two German companies to scrap their exclusivity contracts. The earlier ruling was overturned by the European Court of Justice on technical grounds, but the new one confirms it, and a commission spokesman said the commission was confident this one would pass muster.

The spokesman added, however, that the EC executive had delayed any decision on a related controversy over freezers.

The two German companies supply retailers with freezers for their ice creams, and will not allow the retailers to stock rival products in them.

Mars contends that this ban amounts to a restriction on competition because most small retailers do not have the space for more than one freezer. But two years ago Unilever won a court injunction in Ireland preventing Mars ice cream from being stocked in retail freezer cabinets supplied by Unilever. (Reuters, AFP)

EC Frowns on Siemens-Philips Deal

The EC Commission has expressed reservations about plans by Siemens AG and Philips Electronics NV to combine optical fiber and telecommunications cable activities. The Associated Press reported.

Mars contends that this ban amounts to a restriction on competition because most small retailers do not have the space for more than one freezer. But two years ago Unilever won a court injunction in Ireland preventing Mars ice cream from being stocked in retail freezer cabinets supplied by Unilever. (Reuters, AFP)

The EC Commission said after a preliminary inquiry it had serious doubts about the tie-up's compatibility with EC merger regulations, and would investigate further.

Thomson Selling Appliances Unit

PARIS — Thomson SA, the debt-laden French state-owned electronics giant, will sell its household appliances division to a French-Italian consortium, France's Industry Ministry announced on Wednesday. The price was not disclosed.

The consortium is 66 percent held by ELFI Eletro Finanziaria SpA, an Italian company that owns the French-based Chaffoteaux & Maury maker of water heaters. The remaining 34 percent is held by Crédit National, a French long-term credit bank.

The ministry said the sale would create an entity with annual revenue of 9 billion francs (\$1.7 billion).

Thomson sources said the proceeds from the sale of the unit, Thomson Electroménager, would go to pay down group debt of around 10 billion francs. (AFP, Reuters)

TARGET: Lasers and Computers Guide the Retailer

(Continued from first finance page)

formation about most items in a store or en route there.

Today, like most retail chains, Target uses scanners at checkout counters to save time, avoid errors and compile a record of exactly what has been sold. A newer wrinkle is the deployment this year of portable scanners with radio transmitters connecting them to the store's computers.

Clerks use the hand-held scanners to read bar-code labels on shelves where there is little or no stock left. A hand-held display then tells them if replenishments are available in the storeroom.

Along with the new technology, two other industrywide changes have been the growing use of automatic replenishment systems, in which a retailer and supplier agree on a regular delivery of goods with-

out the placing of individual orders, and electronic data interchange, in which orders are entered, confirmed, altered, executed and sometimes even paid for without filling out a single paper.

Companies also must make organizational changes. In Target's case, one of the first came seven years ago when the company created a corporate inventory management group to work with purchasers.

"It used to be that whatever the buyer bought, we allocated and that was it," said Linda Ahlers, Target's senior vice president for merchandise planning and control. Now, her group makes buyers more aware of the inventory impact of buying various quantities and helps reappportion deliveries among stores as sales trends emerge.

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
1850	2850	2050
1750	2730	1950
1650	2610	1850
1550	2490	1750
1450	2370	1650

Exchange	Index	Wednesday Close	Provisional Close	% Change
Amsterdam	CBS Trend	106.60	105.60	+0.95
Brussels	Stock Index	5,575.27	5,584.77	-0.17
Frankfurt	DAX	1,526.95	1,523.57	+0.22
Frankfurt	FAZ	598.32	598.62	-0.05
Helsinki	HEX	835.17	824.00	+1.36
London	Financial Times 30	2,162.60	2,184.50	-0.99
London	FTSE 100	2,827.40	2,842.00	-0.51
Madrid	General Index	218.20	218.82	-0.74
Milan	MIB	866.00	860.00	+0.70
Paris	CAC 40	1,821.11	1,824.37	-0.18
Stockholm	Affarsvaeriden	1,051.38	1,043.18	+0.79
Vienna	Stock Index	342.73	338.60	+0.92
Zurich	SBS	678.10	674.50	+0.53

Sources: Reuters, AFP

Very briefly:

- Istituto per la Ricostruzione Industriale, the Italian state holding company, said its 95 percent-owned Finmeccanica SpA would incorporate its majority-owned subsidiaries Alenia SpA, Egea Bailey SpA and Ansaldo SpA. The operation is to include an unspecified capital increase.
- Fiat SpA said its NH Geotech agricultural machinery venture would change its name to New Holland.
- Jean-Louis Scherrer, fired from his fashion house by its majority owners, Hermès and Seibu Saison Group, has asked the Paris Trade Court to put the company into provisional receivership in a challenge to its management.
- Greece's parliament adopted a 1993 austerity budget for the third year of reform that would limit public-sector pay increases to the inflation rate, currently 15.5 percent.
- Philip Morris Cos. signed a deal to make 1 million cigarettes a year at a factory near St. Petersburg, the Interfax news agency reported.
- The European Community's average year-to-year inflation rate fell to 3.8 percent in November, the lowest since August 1988, despite substantial price rises in Germany, Greece and Italy.
- The EC Commission cleared state subsidies to Portugal's coal sector for 1992, amounting to 1.02 billion escudos (\$7.1 million), to cover production losses and social security payments.

American Orders Saab Planes

STOCKHOLM — Saab Aircraft AB said Wednesday that it had won an order for 20 of its 340B commuter aircraft from a subsidiary of American Airlines that is already a big Saab customer.

The new order is worth around 1 billion kronor (\$143 million), said Saab Aircraft, a subsidiary of Saab-Scania AB.

The 37-passenger planes will be operated by American Eagle, a subsidiary of American Airlines that already has bought 70 Saab 340Bs and has options to buy another 50. The unit also has options for 50 of the enlarged version Saab 2000 aircraft.

Ukraine Restores Controls

KIEV — The Ukraine government, aiming to shore up its ailing economy, published new regulations on Wednesday in a bid to restore government control over many sectors of the economy.

The measures remove price controls on some basic foodstuffs, including milk, butter and some types of bread, but they tighten controls on other sectors such as metals, chemicals, oil, sugar, meat and eggs, as well as goods produced by monopolies.

Officials said the amount of goods and services subject to controls would rise by 25 percent when the rules come into force Jan. 1.

The government also published a list of enterprises and organizations approved to export most natural resources and issued a decree allowing people to apply to own the land they use as allotments.

NYSE

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

12 Month High	Low	Stock	Div	Yield	PE	High	Low	High	Low	High	Low
120	115	IBM	3.00	2.50	12	120	115	120	115	120	115
100	95	Microsoft	0.00	0.00	15	100	95	100	95	100	95
80	75	Apple	0.00	0.00	18	80	75	80	75	80	75
60	55	Oracle	0.00	0.00	20	60	55	60	55	60	55
40	35	Amazon	0.00	0.00	25	40	35	40	35	40	35

12 Month High	Low	Stock	Div	Yield	PE	High	Low	High	Low	High	Low
120	115	IBM	3.00	2.50	12	120	115	120	115	120	115
100	95	Microsoft	0.00	0.00	15	100	95	100	95	100	95
80	75	Apple	0.00	0.00	18	80	75	80	75	80	75
60	55	Oracle	0.00	0.00	20	60	55	60	55	60	55
40	35	Amazon	0.00	0.00	25	40	35	40	35	40	35

12 Month High	Low	Stock	Div	Yield	PE	High	Low	High	Low	High	Low
120	115	IBM	3.00	2.50	12	120	115	120	115	120	115
100	95	Microsoft	0.00	0.00	15	100	95	100	95	100	95
80	75	Apple	0.00	0.00	18	80	75	80	75	80	75
60	55	Oracle	0.00	0.00	20	60	55	60	55	60	55
40	35	Amazon	0.00	0.00	25	40	35	40	35	40	35

INTERNATIONAL CLASSIFIED

(Continued From Page 5)

ESCORTS & GUIDES	ESCORTS & GUIDES	ESCORTS & GUIDES
BELLE EPOCH ESCORT SERVICE LONDON 071 757 8852 Grand Central Westmore	MORRISON CLUB - VIENNA ESCORT SERVICE Service 3, Rechts Wimmerstrasse 2 a, Tel. +43 0222 69884	MUNICH - WELCOME ESCORT & GUIDE AGENCY. PLEASE CALL 089 - 91 23 14.
AMSTERDAM LIBERTY INT'L Escort Service Driver & Guide Services. Credit cards accepted. Tel. 020-618064	ITALY - PARIS - COTE D'AZUR French Riviera Escort Agency. Tel. (0)1 - 39 184 348 87	ZURICH SUSAN ESCORT SERVICE Tel. 01 262 05 89
AMSTERDAM BERNHARDTE Escort Service. Tel. 021 03 36 or 021 06 43	VIENNA - ZURICH - MUNICH Escort Service Specialized in European Escort Services Open Times and New Year Call Vienna-Austria +43 0221 152	PRIME TIME ESCORT SERVICE in Manhattan Day/Evening 212 279-8221 USA



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Doubts on Beijing's Rocket

Loss of U.S. Satellite Puts Contracts at Risk

Bloomberg Business News

HONG KONG — The apparent loss of a U.S.-built satellite could threaten China's future in the commercial launch business and put contracts worth half a billion dollars at risk if the failure is proven to be China's fault, analysts said Wednesday.

China was already celebrating the seemingly successful Monday launch of the satellite, built by Hughes Aircraft Co., when the bad news arrived: The spacecraft was not acknowledging messages from ground control.

A spokesman for Hughes' Space and Communications division suggested Tuesday that the satellite was drifting 300 to 400 miles (about 480 to 650 kilometers) above the Earth, a useless orbit for a spacecraft meant to be orbiting 22,000 miles farther out in space.

But on Wednesday, David Foster, spokesman for Optus Communications, the Australian company that bought the satellite from Hughes, said "We have not found it. We have been unable to establish contact."

A Hughes spokesman said the company believes a failed motor caused the satellite to drift from its course. Other reports Wednesday said the satellite may have blown up when its booster rockets ignited.

Both possibilities point to possible problems with the U.S. satellite itself, rather than the launching system. That would come as a big relief to Chinese officials. After the near-loss of a satellite in a scrubbed launch attempt in March, another mishap would raise serious questions about China's ability to compete

in the burgeoning commercial launch market, analysts said.

"If the accident was China's fault it casts a shadow of doubt over the reliability of their cheap launches," said Brian Jeffries, editor of AsiaPacific Space Report, a Hong Kong-based monthly.

If China is cleared of blame in its third foreign launch, that could help its Long March 2-C rocket, which is seen as a less

'If it was China's fault it casts a shadow of doubt over the reliability of their cheap launches.'

expensive alternative to Western launch services, Mr. Jeffries said. Right now China sends satellites into space for \$35 million, roughly half the cost of Western launches, analysts said.

But if China's rockets fail to put satellites into space, the discount price will not look so appealing. China also could soon be facing stiff price competition from Russia, which is trying now to establish its own commercial launch program, Mr. Jeffries said.

It will take a month before a full investigation into the missing spacecraft can be completed, Mr. Jeffries said. China Great Wall Industry Corp., the state-run launching

company, has said it will cooperate fully with Hughes in an investigation.

"Our launching task was completed," Li Tao, spokesman for the Chinese company, said in a telephone interview. "Other problems we are not yet clear about."

Optus Communications is writing off the \$138 million B2 satellite. Hughes, which is a unit of General Motors Corp., is fully insured if the spacecraft is lost.

China embarked on a commercial launch program in June 1990 when AsiaSat 1, the first Western communications satellite to be sent into space from China, was successfully put into orbit.

Last March a second satellite, the Optus 1, had a near miss on the pad. The Long March booster rockets misfired but the launch was aborted without damaging the satellite.

"There are two ways of looking at the March launch," Mr. Jeffries said. "Either the Chinese were damn lucky or their safety systems work."

China has three confirmed contracts for launches of U.S.-built satellites in 1994.

The most important contract is for the International Telecommunications Satellite Organization, a cooperative of more than 160 member states, valued at \$460 million.

The others are with APT satellite, a China-dominated Hong Kong consortium, for \$40 million, and a U.S. company planning to beam satellite radio programs into Africa, for \$25 million.

Goldlion Gains Status And Profits In China

Bloomberg Business News

HONG KONG — China's hunger for brand-name clothes and accessories has fueled a 45.2 percent increase in first-half net profit for Goldlion Holdings, the clothing retailer and manufacturer said Wednesday.

Six years ago a Goldlion bell and tie clip were a must for any well-dressed Communist Party official. Now the appeal of the company's products has spread to China's growing middle class, analysts said.

"We started with government officials in 1986," said a spokesman for Goldlion management, who requested that he not be identified. "Now ordinary people are buying. The majority are entrepreneurs who used to be farmers."

The company said net profit rose to 59.5 million Hong Kong dollars (\$7.7 million) in the six months ended Sept. 30, from 41.0 million dollars a year earlier.

"People in China save their salaries for months to buy Goldlion products," another company spokesman said. "Chinese relatives ask family in Hong Kong to buy them Goldlion as gifts. We have about 1.5 million customers in China today. We want 5 million by 1994."

Although other brand-name companies are talking about going into the Chinese market, Goldlion has been a major presence there since the mid 1980s and its popularity is building, analysts said. Goldlion sells through 460 wholesale and retail outlets in China, with plans to expand to 1,000 outlets within three years.

The presence has made Goldlion stock one of the main China plays on the Hong Kong market, and one of the best performers since its September listing. The shares rose 10 cents on Wednesday to 6.90 dollars, more than double their initial issue price.

Part of the company's success has been due to Chairman Tsang Hin Chin and his strong political connections. Mr. Tsang is a delegate to China's National People's Congress, its parliament, and was chosen by Beijing to be one of its 44 advisers in Hong Kong.

"Political connections are a priceless necessity of doing business in China," Wardley James Capel, an underwriter of Goldlion's share offering, said in a report at the time of the flotation.

Hanoi Does More To Lure Investors

Reuters

HANOI — Vietnam's national assembly on Wednesday approved sweeping amendments to the investment law, allowing private companies to enter joint ventures with foreign partners and giving new tax and operating concessions to investors from abroad.

"We are faced with the reality that private individuals in our country possess not a small source of capital, but they have so far invested too little in production," the chairman of the state committee for cooperation and investment, Dau Ngoc Xuan, said in the assembly.

The assembly agreed to extend the duration of joint ventures to 50 years, and in "necessary cases" to 70 years, from 20 years.

"If the maturity period of an enterprise is 20 years, we cannot import large-scale projects of long duration," Mr. Xuan said. "We cannot hold big industrial zones or attract capital for perennial industrial crops such as rubber trees."

Another amendment allows joint ventures to open overseas bank accounts "in special cases."

Foreign investors previously were limited to accounts in Vietnamese or foreign currency, in Vietnamese banks or in one of the 10 foreign banks operating in the country.

Loan De Leo, head of the Hanoi

Business Center, which introduces foreign companies to potential Vietnamese partners, said the new legislation was "very, very welcome" and would help get a lot of projects moving.

Another concession extends tax breaks already given to joint ventures to selected wholly owned foreign investment projects.

Mr. Xuan said this measure was needed because foreign investors "find it very difficult to find a suitable Vietnamese partner and also because there have arisen many disputes within joint ventures."

Joint ventures in priority sectors are exempt from paying a 15 to 25 percent tax on profits for the first two years and are eligible for a 50 percent tax reduction for another two years.

In another key concession, the law says the government will take "appropriate measures" to meet investors' interests if there is a change in state regulations that harms the investment.

Prime Minister Vo Van Kiet said earlier this month that foreign investment approvals soared by 73 percent in 1992 to about \$2.1 billion.

The top investors are Taiwan with more than \$800 million in licensed projects since Vietnam began opening to foreign investment five years ago, Hong Kong with \$600 million and France with \$475 million.

Investor's Asia

Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong Hang Seng		5,317.99	5,297.74	+0.38
Singapore Straits Times		1,496.06	1,489.76	-0.21
Sydney All Ordinaries		1,584.80	1,590.10	-0.35
Tokyo Nikkei 225		Closed	17,680.67	-
Kuala Lumpur Composite		645.04	644.94	+0.02
Bangkok SET		863.50	863.87	-0.04
Seoul Composite Stock		670.43	667.01	+2.04
Taipei Weighted Price		3,448.15	3,579.97	-3.69
Manila Composite		1,228.67	1,207.16	+1.37
Jakarta Stock Index		271.75	272.19	-0.16
New Zealand NZSE-40		1,535.00	1,534.13	+0.06
Bombay National Index		1,171.00	1,175.50	-0.38

Very briefly:

- Hyundai Motor Co. is expected to emerge as South Korea's largest manufacturer in terms of revenue at year-end, with 6.3 trillion won (\$8 billion) in sales, moving slightly ahead of Pohang Iron & Steel Co.
- The China External Trade Development Council, a semi-official Taiwan trade promotion body, plans to establish a branch in southeastern China next year, the island's first such office on the Chinese mainland.
- Taipei Bank and United World Chinese Commercial Bank, also of Taiwan, will open U.S. offices in January, the first non-U.S. banks to be given such permission under a U.S. law tightening supervision of overseas institutions after the Bank of Credit & Commerce International scandal.
- Singapore companies are likely to have committed more money for investment in China this year than the \$396.2 million recorded in 1991 through 1991, according to Zhu Zhen-yuan, commercial counselor of the Chinese Embassy in Singapore.
- Australia shortlisted three ship designs for its 1 billion dollar (\$690 million) project to build six coastal maimaners; the designs are from Britain's Vickers Technology PLC, with its Australian partner Transfield Holdings Ltd; Italy's Intermarine SpA, with Australian Defense Industries; and Australian Submarine Corp., with the Swedish Navy.
- Western Mining Corp. Holdings said net profit in the half-year to December is likely to be "substantially lower" than the 94.1 million Australian dollars a year earlier if low nickel prices persist.

U.S., China to Talk on Textiles

WASHINGTON — After a series of raids on the U.S. offices of China's textile companies, the U.S. Customs Service will switch tactics and offer a series of seminars in Hong Kong and China next month to teach manufacturers there how to comply with American import laws, U.S. officials say.

The seminars, which Customs Commissioner Carol Hallert said are being held in cooperation with Beijing, follow a 19-month investigation of China's textile export practices. The investigations have resulted in indictments of Chinese textile companies, their officials and U.S. importers for trying to evade duties and import quotas.

Manila Bourses Sign Merger Pact

Reuters

MANILA — Manila's two rival stock exchanges, responding to appeals from President Fidel V. Ramos, agreed Wednesday to unify their operations under a new Philippine Stock Exchange.

"We recognize that a unified exchange is vital in developing a strong capital market, which is imperative to sustained economic growth," the exchanges said in a joint declaration.

The declaration commits all members of the Manila and Makati stock exchanges to the unified exchange. Negotiations on the merger had been going on since June 1989 but had been held up by questions of cost and tax implications.

Such issues as the site of the unified exchange, the constitution and by-laws and the process of unifica-

tion itself have yet to be thrashed out by the brokers.

The rivalry began in 1963 when a group of stockbrokers broke away from the Manila exchange, set up in 1927, to form the Makati bourse. Recently, the rivalry has been exacerbated by a battle between two real estate developers for the right to house the new PSE.

The merger declaration was signed by Eduardo Lim, chairman of the Makati exchange, and Robert Coyvito, chairman of the Manila exchange, at the Securities and Exchange Commission.

The Asian Development Bank has promised a \$200 million loan to help develop Manila's capital market if the bourses merged. The U.S. Agency for International Development pledged \$300,000 to help train SEC and exchange personnel for the efficient operation of the computerized exchange.

NASDAQ

Wednesday's Prices
NASDAQ prices as of 4 p.m. New York time. The list compiled by the AP consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	12 Month Low	Stock	Div	Yld	PE	1992	1991	High	Low	Latest Chg
100	80	IBM	4.00	4.00	15	12	11	100	80	+2
120	100	Microsoft	0.00	0.00	25	20	18	120	100	+5
150	130	Oracle	0.00	0.00	30	25	22	150	130	+3
180	160	Intel	0.00	0.00	20	18	16	180	160	+4
200	180	Sun	0.00	0.00	25	22	20	200	180	+2
220	200	HP	0.00	0.00	20	18	16	220	200	+1
240	220	Motorola	0.00	0.00	15	13	12	240	220	+3
260	240	Texas Instruments	0.00	0.00	15	13	12	260	240	+2
280	260	Advanced Micro Devices	0.00	0.00	20	18	16	280	260	+4
300	280	AMD	0.00	0.00	20	18	16	300	280	+3
320	300	ATI	0.00	0.00	25	22	20	320	300	+2
340	320	SGS-Thomson	0.00	0.00	20	18	16	340	320	+1
360	340	SGS	0.00	0.00	20	18	16	360	340	+2
380	360	SGS	0.00	0.00	20	18	16	380	360	+1
400	380	SGS	0.00	0.00	20	18	16	400	380	+2
420	400	SGS	0.00	0.00	20	18	16	420	400	+1
440	420	SGS	0.00	0.00	20	18	16	440	420	+2
460	440	SGS	0.00	0.00	20	18	16	460	440	+1
480	460	SGS	0.00	0.00	20	18	16	480	460	+2
500	480	SGS	0.00	0.00	20	18	16	500	480	+1

SPORTS BASKETBALL

Duke Clouts LSU With the Bench To Stay Unbeaten

The Associated Press
Talk about the rich getting richer. Duke has a bench, too. There has been talk that the Blue Devils' depth isn't what it had been over the last couple of seasons, and that the bench could be an Achilles' heel if the coach, Mike Krzyzewski, has to turn to it. It didn't look that way Tuesday night, when the Blue Devils (6-0) cruised into the championship game of the Maui Invitational in Hawaii with a 96-67 victory over previously unbeaten Louisiana State.

COLLEGE BASKETBALL

Krzyzewski said, "We have three players who have played so much college basketball, but we had six we just didn't know about."
Duke's reserves provided a big lift when it was really needed. With the hunt for the Maui Invitational, Bryan Salter had 20 points and 13 rebounds to lead the Sooners.

No. 12 UCLA 80, CS Northridge 73: Ed O'Bannon's dunk with 3:35 to go put the Bruins 17-11 ahead and triggered a 13-6 game-ending spur.
No. 13 Syracuse 102, LeMoyne 71: Lawrence Moten had 16 points and 12 rebounds in 20 minutes for the Orangemen (8-0).
Providence 81, No. 14 Arizona 66: Trent Forbes scored 27 points, making seven 3-pointers, and the Friars (5-1) held off a second-half rally to beat the visiting Wildcats (12-2).

No. 15 Purdue 48, SW Missouri St. 45: Cuonzo Martin scored 20 points as the visiting Bojlers (6-0) outlasted Southwest Missouri.
No. 16 Georgia Tech 81, Tennessee-Chattanooga 74: James Forrest had 21 points and 17 rebounds as the Yellow Jackets (5-1) rallied to win on the road.
No. 18 Florida St. 95, Ark.-Little Rock 64: Doug Edwards had 16 points for the Seminoles (6-3), who won their third straight.

No. 21 California 81, Wake Forest 65: Lamond Murray scored 22 points and the Beavs (5-0), sparked by the defensive wizardry of freshman guard Jason Kidd, beat Wake Forest (4-1) in Oakland Coliseum.
No. 22 Connecticut 90, Fairfield 66: Scott Burrell scored 19 points. Donny Marshall had a career-high 17 and the press by Connecticut (4-1) overwhelmed visiting Fairfield.

No. 3 Kentucky 65, Miami, Ohio 49: Jamal Mashburn scored 11 of his 26 points during a 29-13 run as Kentucky overcame a seven-point first-half deficit.
Travis Ford contributed 12 points, making three of five 3-point shots, and had seven assists as Kentucky (6-0) defeated visiting Miami (12-2) for the 17th straight time.
No. 5 North Carolina 84, Ohio St. 64: Eric Montross was 8 for 3 from the field, scoring 20 points, and the Tar Heels (7-0) hit 10 of their first 11 shots in the second half to pull away.

The victory put Dean Smith's record at 747-219 in his 33 years at North Carolina, pushing him past his mentor, the former Kansas coach, Phog Allen, into sole possession of fourth place in career victories.
George Lynch grabbed 16 rebounds to go with his 11 points for the Tar Heels while Lawrence Fun-

derburke scored 17 points for Ohio State (4-2).

No. 8 Iowa 90, S. Illinois 70: Val Barnes had a season-high 23 points and Chris Street added 20 for the Hawkeyes (8-0), who outscored Southern Illinois (6-1) by 21-9 in the first 10 minutes of the second half to break the game open after the Salukis trailed only 44-41 at halftime. Acie Earl had 12 of his 17 points in the second half for Iowa.

No. 9 Oklahoma 105, Chamaine 88: The Sooners (6-1) used a 23-3 second-half surge to beat Division 11 Chamaine (1-3) in the consolation bracket of the Maui Invitational. Bryan Salter had 20 points and 13 rebounds to lead the Sooners.

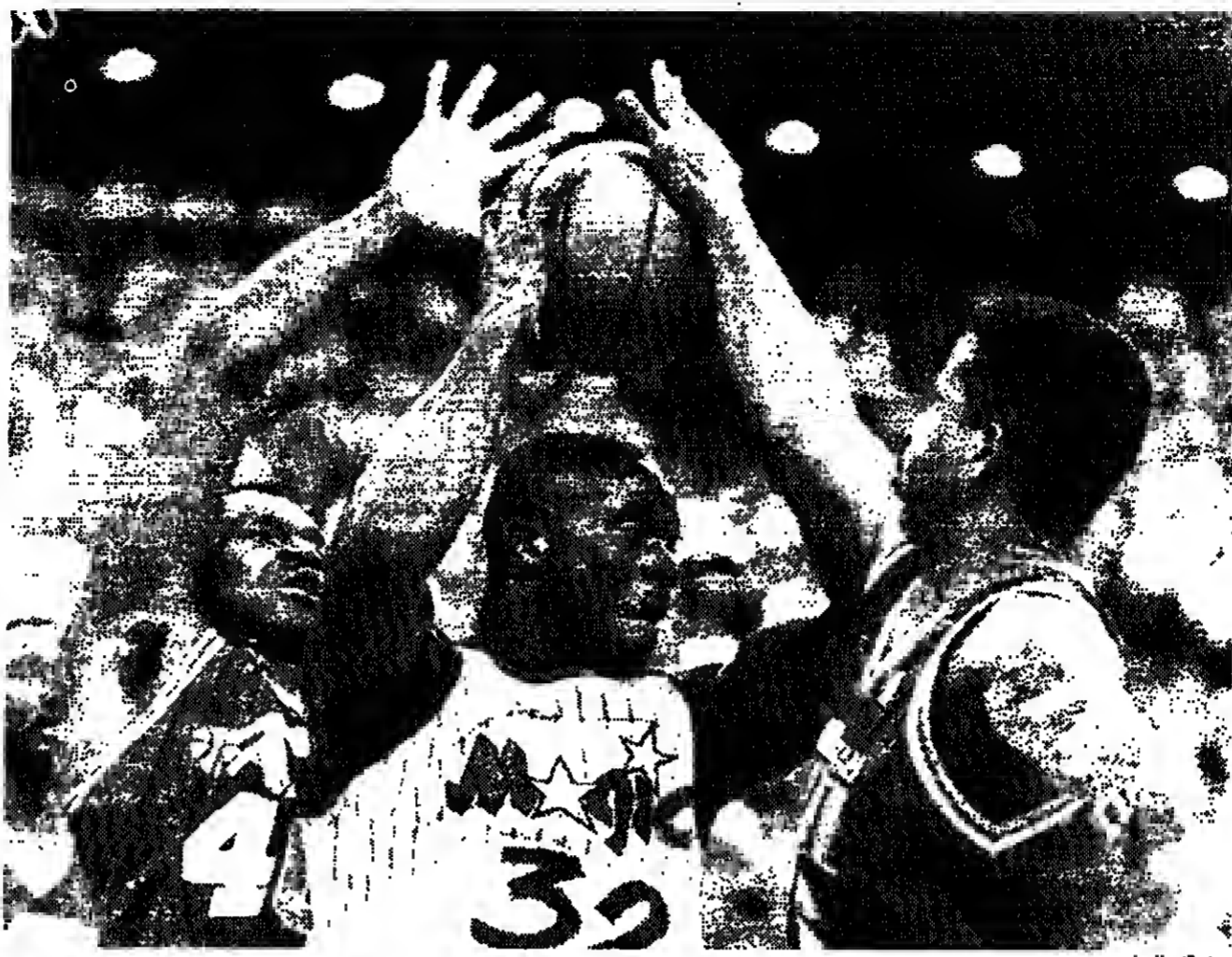
No. 12 UCLA 80, CS Northridge 73: Ed O'Bannon's dunk with 3:35 to go put the Bruins 17-11 ahead and triggered a 13-6 game-ending spur.

No. 13 Syracuse 102, LeMoyne 71: Lawrence Moten had 16 points and 12 rebounds in 20 minutes for the Orangemen (8-0).
Providence 81, No. 14 Arizona 66: Trent Forbes scored 27 points, making seven 3-pointers, and the Friars (5-1) held off a second-half rally to beat the visiting Wildcats (12-2).

No. 15 Purdue 48, SW Missouri St. 45: Cuonzo Martin scored 20 points as the visiting Bojlers (6-0) outlasted Southwest Missouri.

No. 16 Georgia Tech 81, Tennessee-Chattanooga 74: James Forrest had 21 points and 17 rebounds as the Yellow Jackets (5-1) rallied to win on the road.
No. 18 Florida St. 95, Ark.-Little Rock 64: Doug Edwards had 16 points for the Seminoles (6-3), who won their third straight.

No. 21 California 81, Wake Forest 65: Lamond Murray scored 22 points and the Beavs (5-0), sparked by the defensive wizardry of freshman guard Jason Kidd, beat Wake Forest (4-1) in Oakland Coliseum.
No. 22 Connecticut 90, Fairfield 66: Scott Burrell scored 19 points. Donny Marshall had a career-high 17 and the press by Connecticut (4-1) overwhelmed visiting Fairfield.



Shaquille O'Neal, the center of attention amid Utah's Mike Brown, left, and Jay Humphries, dominated the last quarter as Orlando won.

Kentucky, After Bearish Spell, Is a Wildcat Again

By William C. Rhoden

New York Times Service
LEXINGTON, Kentucky — For a number of its fans, Kentucky's last-second loss in overtime to Duke last March signaled the Wildcats' full recovery from the devastating blow of probation. But after Kentucky routed Morehead State last Saturday, it was clear that the 104-103 loss to Duke marked the end of an era.

This season is the beginning. In many ways, the full extent of Kentucky's re-emergence was symbolized by Todd Svoboda, a 6-foot, 9-inch, 215-pound (2.06-meter, 97-kilogram) senior. Svoboda is a walk-on. He transferred from Northern Kentucky despite being told in no uncertain terms by Kentucky's coach, Rick Pitino, that he wouldn't receive a minute of playing time. His sole

function was to be practice fodder for Jamal Mashburn, Rodrick Rhodes and the Wildcats' other scholarship players. Saturday, however, Svoboda got the call. His parents had driven from Cincinnati to see the game, and he had begged Pitino to put him in if the game turned into a rout. It did.

With Kentucky ahead by 30 points, Pitino sent in Svoboda to the court of the Unforgettables. Svoboda scored a career-high 6 points. When he returned to the Wildcats' bench, he flashed a smile that could have illuminated Kentucky's darkest coal mine.

The Wildcats' bench was all smiles, too, as Kentucky cruised to a 108-65 victory and a 5-0 start. Four seasons ago, Svoboda would have been a starter, or sixth man at the least.

That 1989 team, Pitino's first at Kentucky, featured Sean Woods, Richie Farmer, Deron Feldhaus and John Pelphrey. The four had decided against transferring when Kentucky was placed on two years' probation by the National Collegiate Athletic Association.

Last season, the first year Kentucky was eligible for the tournament, Woods, Farmer, Feldhaus and Pelphrey — who became known as the Unforgettables — culminated their careers by pushing Duke to the wire.

On that team, Svoboda would have been a solid contributor. On this one, he may not receive another second of playing time. Last year marked the end of a romance for Kentucky. This year marks the beginning of business. There will be no more "Unforgettables" who play primarily on

heaven and sweat. World-class talent is in the house. Mashburn, now a junior, has succeeded Shaquille O'Neal as the Southeastern Conference's most dominating player. Rhodes is one of the nation's best freshmen; Rodney Dent is a powerful 6-10 center; Treym Delk is a sharpshooting freshman guard.

Kentucky has such a line on talent now that Pitino predicts that even if Mashburn leaves for the pros after this season, the Wildcats will be as strong, or stronger. One reason is Walter McCarty, a 6-9 forward, sitting out this season under the Proposition 48 grade exemption. He is being touted as the next Mashburn.

Kentucky is back. The question, of course, is what has come back with it? Pride? Certainly. Tradition? Of course. But also the insatiable

A Major Turnover In the NBA West

The Associated Press
The balance of power appears to be shifting in the National Basketball Association's Pacific Division. Phoenix and Seattle, which finished third and fourth last spring, are in first and second place following victories Tuesday over Golden State and Portland, the second and first-place teams last season.

The Suns, who have the best record in the NBA at 17-4, won their 10th consecutive game as Charles Barkley got 35 points, 16 rebounds and the game-winning tip-in with 18 seconds left in a 106-104 victory over the Warriors.

The SuperSonics also were impressive in their fourth straight victory, a 107-96 triumph in Portland. Derrick McKey scored 26 points for Seattle, which played without leading scorer and rebounder Shawn Kemp, who has a sprained knee.

"Everybody had to step up to another level without Shawn," McKey said. "We felt we've been coming together as a team, and tonight we showed that. It's a confidence-builder to beat a team as good as Portland in their own building."

Cliff Robinson led all scorers with 28 points for the Trail Blazers, including 12 in the fourth period. His 3-pointer made it 99-96 with 1:17 remaining.

But the Sonics scored the final eight points of the game to hand the Blazers their third home loss in 13 outings. The outcome also broke a tie between the two teams for second place in the division.

"They are playing their game and we are not playing ours," said Portland's Clyde Drexler, who scored just 14 points.

Suns 106, Warriors 104: Golden State missed two shots in the final

NBA HIGHLIGHTS

seconds as Phoenix matched its single-season record of 10 straight.

The visiting Warriors came from 13 behind in the third quarter to take a 104-102 lead on Tim Hardaway's 3-pointer with 2:05 left.

Danny Ainge tied it with two free throws at the 1:02 mark, and the Warriors' Jud Buechler missed a pair with 40 seconds remaining before Barkley tipped in a miss by Cedric Ceballos.

Hardaway and Latrell Sprewell missed shots in the final seconds for the Warriors, who were led by Chris Mullin with 34 points.

Spurs 113, Nuggets 108: John Lucas' NBA coaching debut was a success thanks to David Robinson's 21 points, 18 rebounds and eight blocked shots in San Antonio's victory that handed Denver its eighth consecutive loss.

Lucas was hired Friday night to replace Jerry Tarkanian, who was fired 20 games into the season. Dale Ellis and Sean Elliott scored 23 points each for the Spurs. Gary Plummer led Denver with 20 points and Dikembe Mutombo had 15 points and 12 rebounds for the Nuggets, who fell to 1-11 on the road.

Kings 102, Bucks 99: Sacramento, in overtime, snapped a 10-game road losing streak and handed Milwaukee its 11th straight loss following a 10-3 start.

Eric Murdock had a career-high 30 points and a career-high 15 rebounds for the Bucks.

Clippers 108, Mavericks 94: Mark Jackson had 21 points, 12 rebounds and 10 assists, and Ron Harper scored 25 points as Los Angeles kept Dallas winless in nine games on the road this season.

Magic 101, Jazz 98: Shaquille O'Neal had 28 points, 19 rebounds and five blocked shots for Orlando, and dominated the fourth quarter against Utah.

The 7-foot-1 rookie sat on the bench late in the third quarter and early in the fourth with four fouls, but returned to ball out the faltering Magic with six points, six rebounds and three blocked shots in the final 10 minutes. It was the fourth consecutive win for Orlando following a six-game losing streak.

After just 21 games, O'Neal already has tied the franchise record for blocks in a season with 87.

Hornets 130, Hawks 114: Larry Johnson scored 29 points. Dell Curry 28 and rookie Alonzo Mourning 20 as Charlotte handed Atlanta its fourth consecutive loss at home.

Mourning scored eight points in a 14-0 run that gave the Hornets a 90-71 lead in the third period. The Hawks got no closer than 10 points again.

British Sprinter Livingston Banned for 4 Years

Reuters
LONDON — British sprinter Jason Livingston, who was sent home from the Barcelona Olympics after failing a drug test, was banned Wednesday from competition for four years.

The verdict means a life-long ban by the British Olympic Association, which earlier this year ruled that any drug offender could no longer compete on Britain's Games team.

Livingston, nicknamed "Baby Ben" after his Canadian hero Ben Johnson, failed a random, out-of-competition drug test before the Olympics when traces of the anabolic steroid methandienone were found.

The disciplinary hearing was conducted by three British Athletic Federation officials — its chairman, Nick Whitehead, Bob

Greenoak and a former runner, Joslyn Hoyte-Smith.

Livingston, the European indoor 60 meters champion and the man regarded as Britain's successor to the Olympic champion Linford Christie, can appeal to an independent panel. He also has the right to appeal to the British Olympic Association.

He had consistently protested his innocence. "I have never used steroids," he has said. "I abhor the use of drugs in sport."

A short statement from the British Athletic Federation said: "The British Athletic Federation has accepted the decision of its disciplinary committee when, after very close scrutiny of the evidence submitted, it unanimously agreed that Mr. Jason Living-

ston has committed a doping offense under BAF rule 22.5."

His legal advisers said he was considering his next move while standing by his claim that he is innocent.

Swiss Ban Russian Runner

The Russian distance runner Galina Ikonnikova has been banned for four years after failing a drug test at a Swiss road race in October, Reuters reported from Zurich.

Henry Perschak, president of the Swiss Athletics Association's commission on combating drug use, said Wednesday that Ikonnikova had tested positive for the anabolic steroid methyltestosterone after coming second in the Morat-Fribourg road race.

He said he had received notification via the International Amateur Athletic Federa-

tion that Ikonnikova, 11th in this year's London marathon, had been banned by her home association for four years, the standard penalty for drug use.

Last week four leading Russian athletes and their two trainers were told to leave Sweden after customs officials found anabolic steroids in a trainer's suitcase.

The four athletes, the pole vaulter Rodion Gataulin and the hurdlers Margarita Ponomareva, Tatyana Reshetnikova and Lyudmila Narozhnikova, had gone to Sweden to train for an indoor meet in February.

In Moscow, Vadim Zelenchuk, coach of the national team, said he was confident the four athletes would be exonerated.

Coach Lydia Fedotova has said the steroids found in her luggage were were prescribed by a doctor for her personal use.

DENNIS THE MENACE



PEANUTS



CALVIN AND HOBBES



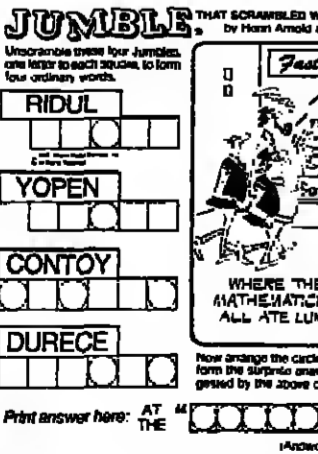
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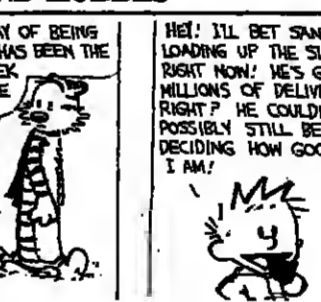
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SPORTS FOOTBALL

Unrestricted Free Agency Key Factor in Tentative NFL Pact

By Thomas George
New York Times Service

NEW YORK — National Football League owners and players have reached a tentative settlement of their labor dispute that could result in the first collective bargaining agreement since 1987 and broad-based, unrestricted free agency for the first time in league history.

After five years of negotiation that gradually gave way to litigation, the two sides are on the verge of adopting an agreement developed during talks in recent weeks.

The key issue is free agency, or the ability of players to change teams if they wish after their contracts expire. The new agreement will make it possible for stars like Steve Young, the San Francisco 49ers' quarterback, and Reggie White, the Philadelphia Eagles' defensive end, whose contracts expire Feb. 1, to sell their services to the highest bidder, like the system in major league baseball. This is what NFL players have sought since 1987, when they struck for 24 days after their previous labor contract had expired.

For the owners, the agreement is a realization that the courts will not permit the restrictions

that have characterized previous systems of player movement in the NFL. They were persuaded not only by the players' negotiators but by U.S. District Judge David Doty of Minneapolis, who must approve any settlement.

Last September, Doty presided in the antitrust case in which a jury struck down Plan B, a portion of the league's previous system of free agency. The judge urged both sides to reach an agreement on their own, but said he would impose one if this were not done.

Representatives for the owners, including Commissioner Paul Tagliabue, and the players, including their lawyer, Jim Quinn, met in New York for a total of 12 hours Monday and Tuesday. Then, in a joint announcement, they issued this statement:

"We've had two full days of discussions. We made progress on the remaining issues and have reached a tentative settlement agreement in principle. We will attempt to finalize the settlement on Monday."

The framework of the settlement includes the following:

- Free agency for players who have five years

of NFL experience, replacing a system that restricted player movement by imposing major penalties on teams signing desirable players, primarily in the form of high draft picks as compensation.

- Granting each team the right to protect a franchise player for the length of his career and exemptions that would allow protection for two players in the first year of the contract and one in the second year. Those players would be guaranteed the league's highest scale of salary compensation for their position.
- An agreement that is six years in length plus a seventh, option year in which both sides would be encouraged to negotiate a new deal.
- A \$200 million payment to settle all current litigation by players seeking free agency in several separate suits across the United States.
- Allowing those litigants — including Young, White, the Los Angeles Raiders' running back Marcus Allen and the New Orleans Saints' quarterback Bobby Hebert — freedom to move to new clubs when their contracts expire on Feb. 1.
- A salary cap for each team that would be

triggered when player costs reached 67 percent of a team's gross revenues.

- A reduction in the draft from 12 rounds to seven and the granting of extra compensatory picks dispersed throughout the draft for teams that lose the greatest number of free agents.

Faced with the prospect of a solution imposed by Doty, the owners met in Dallas last week to consider a plan worked out by Quinn and Tagliabue. Quinn said the framework of the plan was the result of compromise by both sides and that the players were willing to accept it.

The owners disagreed, however, saying the framework was essentially the players' proposal and that they were reluctant to accept it in its entirety because of disagreement on "six or seven major issues."

Among them was how the salary cap would be structured, whether players in litigation as a group should be freed next year, how the free agency could be structured to limit the number of free agents that winning teams could sign, and the owners' desire for a longer agreement, at least 10 years.

It was unclear Tuesday how much compromise and change in the framework had been negotiated. The Associated Press quoted one participant in the talks, who requested anonymity, as characterizing the agreement as a bit shaky. "We're trying to get from here to next Monday," the source was quoted as saying.

One of the moves by the players that helped set in motion the chain of events that led to the court defeat for the owners and prompted Tuesday's tentative agreement was the decertification of the players' union two years ago. As long as a union existed, league rules could not be challenged as violating antitrust laws.

With the union out of the legal picture, lawyers quickly developed a court case in which eight plaintiffs, notably running back Freeman McNeil of the New York Jets, sued the league over its Plan B system of free agency and the right of first refusal compensation guidelines that governed player movement.

Under Plan B, a team could protect 37 players from its roster of nearly 50, leaving the rest free to negotiate and sign with new teams.

Under the right of first refusal, a team could match an offer sheet from another team for a protected player whose contract had expired and thus retain the player. If it chose not to keep him, the player's new team had to give his former team two first-round spots in the subsequent draft.

Under the right-of-first-refusal system, in place since 1977, only two players had moved to new teams. Most clubs found the penalty of sacrificing draft choices too steep a price for signing free agents.

A jury in U.S. District Court in Minneapolis found in favor of McNeil and the rest of the plaintiffs last Sept. 10. It ruled that the NFL's free agency system was illegal under antitrust law and awarded four of the plaintiffs damages.

Another court ruling, involving White and more than 400 players who are seeking free agency on Feb. 1 on the basis of the McNeil ruling, is pending under Doty, who has had the case under advisement since Nov. 12. The pressure of those cases apparently forced the owners to reach a settlement with the players.

Soderstrom Facing New Heart Surgery

PHILADELPHIA — Tommy Soderstrom, the rookie goaltender from Stockholm who made three strong starts for the Philadelphia Flyers, has been threatened again by the heart condition that delayed the start of his season may interrupt his career again.

Soderstrom, 24, suffers from Wolff-Parkinson-White syndrome, a rare disorder in which the heart gets an extra electrical impulse. Although three operations after training camp appeared to have corrected the problem, the impulse partially reappeared in a recent test.

Soderstrom said he will be tested again Jan. 5, and if the impulse has not grown stronger he will be allowed to keep on playing. If it has become stronger, he would face at least one more operation.

"I'm not very happy about this now," Soderstrom said. "I'm just beginning to play confidently."

Soderstrom said a test after his first NHL start, a 5-4 overtime loss Thursday night to Pittsburgh, showed the extra impulse was present when his pulse raced below 150. It disappeared above 150.

"It's not life-threatening at this time," Soderstrom said, adding that before the extra impulse "kicks in" all the time. In a test after the last procedure, it wasn't there at all.

The Flyers lost 4-1, Sunday to Tampa Bay, Soderstrom's third start. But against the Penguins and the NHL's top offense he made 22 saves, then two days later beat Chicago, 3-1, with 27 saves.

Said Soderstrom, who has a 2.92 goals-against average: "What can I do. I must wait and see what happens. Until then, I'll play hockey."



CALLING ALL WRESTLERS — Tekko Santa drove Ochosomizu Halkaso out of the ring Wednesday at the All-Japan Robot Sumo Tournament, with his 64 radio-controlled entrants.

Peers Pick Players for NFL's Pro Bowl

NEW YORK — The Buffalo Bills and Houston Oilers each had nine players named Wednesday to play in the National Football League's Pro Bowl.

The New Orleans Saints will have five players starting for the National Conference in the Feb. 7 game in Honolulu.

The players were selected in a vote of players and coaches.

Buffalo's starters for the American Conference team will be running back Thurman Thomas, tackle Howard Ballard, defensive end Bruce Smith, safety Henry Jones and special-teamer Steve Tasker.

Houston's four starters are receiver Haywood Jeffries, guard Mike Munchak, center Bruce Matthews and inside linebacker Al Smith.

The other AFC starters are receiver Anthony Miller of San Diego, tackle Richmond Webb of Miami, guard Steve Wisniewski of the Los Angeles Raiders, tight end Keith Jackson of Miami, running back Barry Foster of Pittsburgh and Miami quarterback Dan Marino.

On defense, the AFC starters are end Leslie O'Neal of San Diego, tackle Cortez Kennedy of Seattle, outside linebacker Derrick Thomas of Kansas City and Bryan Cox of Miami, inside linebacker Junior Seau of San Diego, cornerback Rod Woodson of Pittsburgh and Gill Byrd of San Diego and safety Steve Atwater of Denver.

Three of the Saints' starters were linebackers, Ricky Jackson, Pat Swilling and Sam Mills.

San Francisco and Minnesota each had four players chosen to start for the NFC team: quarterback Steve Young, receiver Jerry Rice, guard Guy McIntyre and defensive lineman Pierce Holt of the 49ers; tackle Gary Zimmerman, guard Randall McDaniel, defensive end Chris Dooleman and cornerback Audray McMillian of the Vikings.

Also starting for the NFC will be Atlanta's Deion Sanders at cornerback and Jessie Tuggle at linebacker; Green Bay's Chuck Cecil at safety and Sterling Sharpe as a wide receiver; Philadelphia's Reggie White at defensive end; Detroit's Barry Sanders at running back and Lomas Brown at tackle; Dallas' Emmitt Smith at running back and Jey Novacek at tight end.

The teams:

AFC
Offense
Wide receiver—Anthony Miller, San Diego; Haywood Jeffries, Houston; Andre Reed, Buffalo; Curtis Duncan, Houston; Ernest Givens, Houston.
Tackles—Richmond Webb, Miami; John Elford, Buffalo; Will Westcott, Buffalo.
Guards—Mike Munchak, Houston; Steve Wisniewski, LA Raiders; Carlton Hester, Pittsburgh.
Centers—Bruce Matthews, Houston; Derment Downum, Pittsburgh.
Tight ends—Keith Jackson, Miami; Marty Clark, New England.
Quarterbacks—Dan Marino, Miami; Warren Moon, Houston; Jim Kelly, Buffalo.

NFC
Offense
Wide receiver—Jerry Rice, San Francisco; Sterling Sharpe, Green Bay; Michael Irvin, Dallas; Andre Rison, Atlanta.
Tackles—Gary Zimmerman, Minnesota; Lomas Brown, Detroit; Steve Wallace, San Francisco.
Guards—Russell McDonald, Minnesota;

Running backs—Barry Foster, Pittsburgh; Thurman Thomas, Buffalo; Lorenzo White, Houston; Harold Green, Cincinnati.
Defense
Ends—Bruce Smith, Buffalo; Leslie O'Neal, San Diego; Neil Smith, Kansas City.
Tackles—Cortez Kennedy, Seattle; Roy Childress, Houston.
Outside linebackers—Derrick Thomas, Kansas City; Bryan Cox, Miami; Cortez Kennedy, Buffalo.
Inside linebackers—Junior Seau, San Diego; Al Smith, Houston; Michael Brooks, Denver.
Cornerbacks—Rod Woodson, Pittsburgh; Gill Byrd, San Diego; Terry McDaniel, LA Raiders.
Safeties—Henry Jones, Buffalo; Steve Atwater, Denver; Eugene Robinson, Seattle.
Specialists
Punter—Rob Starb, Indianapolis; kicker—Rich Lowery, Kansas City; kick returner—Clarence Verity, Indianapolis; special teamer—Steve Tackett, Buffalo.

NFC
Offense
Wide receiver—Jerry Rice, San Francisco; Sterling Sharpe, Green Bay; Michael Irvin, Dallas; Andre Rison, Atlanta.
Tackles—Gary Zimmerman, Minnesota; Lomas Brown, Detroit; Steve Wallace, San Francisco.
Guards—Russell McDonald, Minnesota;

Miami: On Top, Whoever's No. 1

MIAMI — It's that time of year again, when Dennis Erickson seems to be rumored for every high-profile football coaching job in the country.

And why not? The University of Miami is 11-0 this season and on the brink of being ranked tops in the nation for the third time in Erickson's four years at Miami. The Hurricanes already have lost their defensive coordinator, Sonny Lubick, who Monday became head coach at Colorado State.

But Erickson, 45, has four years left on a five-year contract with the prospect of an extension, and he insists he is not going anywhere, including the National Football League. The players hope he stays. But they do not plan on missing a beat if he leaves.

Junior defensive end Darren Knein notes that the four Miami teams that have finished with the top national ranking have come under three head coaches: Howard Schnellenberger, Jimmy Johnson and Erickson.

"I think that shows you how much power the

players really do have over the whole program," Knein said after the Hurricanes' final workout before they coavenue in New Orleans on Saturday to prepare for their Sugar Bowl showdown with second-ranked Alabama on Jan. 1.

The co-captain Michael Barrow, an all-America middle linebacker, said rumors involving Erickson were "no big concern to the team."

"There's a lot of great talent here," he said. "All a coach has to do is come in, bring his system in and let the players be players. Don't try to change anything. That's what Coach E did. He made as few moves as possible, let you be yourself and become a man, instead of being robots out there."

Erickson, who has been rumored going to NFL clubs in Atlanta, Seattle or Phoenix, insists that "I'm not interested in going to any other college. I'm not interested in the NFL."

To Knein, it makes little difference. "If he's here, he's here. If he's not, somebody else will come in and we're going to win another national championship."

By Charlie Nobles
New York Times Service

SCOREBOARD

HOCKEY

NHL Standings

Wales Conference		Patrick Division	
W	L	Pts	GF
Pittsburgh	24	9	162
Washington	19	15	145
N.Y. Rangers	18	12	141
New Jersey	14	15	103
N.Y. Islanders	14	16	123
Philadelphia	11	17	113

BASKETBALL

NBA Standings

Eastern Conference		Atlantic Division	
W	L	Pct	GB
New York	16	7	.694
Orlando	12	9	.571
New Jersey	12	12	.500
Boston	11	13	.458
Charlotte	10	15	.400
Philadelphia	7	17	.292
Washington	6	18	.250

Major College Scores

Team 1	Score	Team 2	Score
Connecticut	85	Fairfield	66
Providence	81	Arizona	64
Rutgers	97	Marquette	74
Syracuse	102	Louisville	71
Villanova	85	Wake Forest	64

TRANSAGATIONS

BASEBALL
American League
OAKLAND — Signed Kirk Dressendorfer, pitcher, to 1-year contract.

National League
ATLANTA — Signed Randy St. Claire, pitcher, and Jerry Williams, catcher, to minor-league contracts.

LOS ANGELES — Declined to tender 1993 contract to Todd Beitzinger, infielder-outfielder, released Joe Amadio, Mark Cress, Joe Ferguson, Ben Hines, and Ron Perdomo, catcher, for 1993 season.

N.Y. METS — Declined to tender 1993 contract to Kevin Elster, shortstop; Bill Pecota, infielder; Mackey Sasser, catcher; Dave Goleigh, pitcher; and Paul Gibson and Steve Rosenberg, pitchers. Signed Tom Filer, Moore Sasser, and Brandon Van, pitchers; Dan Ellstrand, Scott Bradley, Andy Delmonico, and Javier Gonzalez, catchers; Steve Stricker, infielder, and Wayne Hoskie and Bart Hunter, outfielders, and Joe Ortolano, outfielder, to 1-year contract.

SAN DIEGO — Signed Steve Ward, outfielder, to 1-year contract and released him to spring training as non-roster player.

SIDELINES

Hong Kong to Upgrade Race Track

PARIS (AFP) — The Happy Valley racetrack in Hong Kong is to undergo a multi-million-dollar improvement, the Bouygues Group construction company announced Wednesday.

It said its subsidiary, Dragages et Travaux Publics, had signed a contract worth 741 million Hong Kong dollars (\$100 million) with the Royal Hong Kong Jockey Club, which has a monopoly on horse-race betting in the British colony. Last year, the club signed a contract with Bouygues for rebuilding a rugby stadium.

Demolition work for the Happy Valley project is to start in April, with construction to be completed in October 1995, Bouygues said. It said existing installations would continue to be used during that time.

For the Record

Brook Jacoby, 33, a free-agent third baseman who hit .261 with four home runs and 36 RBIs in 120 games for Cleveland last season, has signed a one-year contract with the Chunichi Dragons in Japan. (AP)

Earvin (Magic) Johnson has been invited by President Fidel Ramos to come to the Philippines to help the local campaign against AIDS. (AFP)

Malaysia has proposed including sports for the handicapped at the Commonwealth Games in Kuala Lumpur in 1998. (AP)

Italy and Mexico will play an international friendly soccer match in Florence on Jan. 20, the Italian Federation said. (AP)

Quotable

Al McGuire, television analyst and former Marquette basketball coach, on some changes he would make in the game: "There will be a composite height rule. No team will be allowed to have more than 32 feet on the court at any time. You start four 7-footers, the fifth guy has to be a jockey."

Pam Shriver, who won a tennis match on Nov. 3, Election Day: "Well, at least one Republican won today."

Speed up the approval process.

ALGERIA	022-920-071	FRANCE	96-0011	ITALY	122-011	PORTUGAL	0207-1-288
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BELGIUM	076-11-0010	HONG KONG	001	LIBERIA	800-288	SPAIN	900-99-87-71
CZECHOSLOVAKIA	00-420-0001	GREECE	00-420-0211	LUXEMBOURG	0-800-011	SWEDEN	020-795-81
DENMARK	8001-0010	HUNGARY	002-800-0111	NETHERLANDS	060-022-9111	SWITZERLAND	855-00-11
FINLAND	610-0280	IRELAND	1-800-850-800	NORWAY	050-12011	TURKEY	900-800-2277
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ART BUCHWALD

Giving Santa a Physical

WASHINGTON — It is not generally known, but Santa Claus has to take a physical examination every year in order to pursue his profession. The exam is given by a doctor who works for the Humbug Mutual Insurance Company.



His name is Dr. Ebenezer, and every time Santa Claus comes in for his checkup the doctor gives him a hard time.

This year was no different. Santa was standing in his services in the doctor's office.

"Get on the scale," Dr. Ebenezer said. "I weigh 130 pounds," Santa Claus declared.

"Bah, humbug," Dr. Ebenezer said. "You weigh 280 pounds. I thought I told you last year to get on a diet."

"I did. But it's very cold at the North Pole and you have to chew a lot of whole blubber or you'll freeze to death," Santa told him.

Dr. Ebenezer looked at his records. "What about exercises? Are you exercising like I told you to?"

"I've been jogging alongside my reindeer. They can't keep up with me," Santa said.

"If you did, it hasn't helped you get off your paunch."

"Gimme a break, Doc. I can do the same thing today that I could 100 years ago. Down the chimney, up the chimney, with a 150-pound sack on my back. If that isn't exercise, I don't know what is."

"Has anyone ever told you that you are a candidate for heart palpitations?"

"That's ridiculous. Whoever heard of Santa Claus getting so much as a cold? If I got sick there would be no Christmas."

"Exactly," Dr. Ebenezer said. "And if there was no Christmas, Humbug Insurance would lose millions of dollars and could go belly up. Open up your mouth and say ahhh."

"Ahhh."

Dr. Ebenezer told Santa Claus. "Now stand on one foot, close your eyes, stick your finger down your throat, and say ho, ho, ho."

"What?"

"Just as I thought. You have a hearing problem. How can we give a clean bill of health to someone who doesn't hear if children are sneaking down to see him when he arrives?"

"I hear them — don't worry." "Santa, are you a senior citizen?"

"I'm 1,600 years old. I don't know if that qualifies me for Medicare or not, but take my word for it. I am able to do anything someone half my age can do. Do you know that I can free-fall in a parachute from my sled and bit the chimney every time?"

"I'm not sure that I am in a position to give you a passing grade. You're overweight, your face is too red, and if I ever saw a Type A personality you're one. I'm going to recommend that you retire and the job be turned over to a younger man."

"Over my dead body," Santa Claus yelled. "Every doctor who has examined me is now buried six feet under, and I am still flying over rooftops. You tell the Humbug Insurance executives that if they require me they will lose their bonuses, stock options and golf club memberships."

"You can also tell them that Christmas isn't over until the fat man sings."

PARIS — Jack Johnson became heavyweight champion by defeating the "Great White Hope," Jim Jeffries, in Reno, Nevada, on July 4, 1910. According to the New York Herald of July 8, the mayors of New York, Philadelphia and Pittsburgh banned publication of pictures of the fight. The mayor of Atlanta warned Johnson that it was "wise to keep away." The headline read: "Authorities in Washington Give Timely Warning Against Possible Incident to Race Rioting, Boxer Will Tour Europe."

When Johnson checked into the Grand Hotel in July, 1913, along with his wife Lucille, a chauffeur, secretary, his nephew and 22 pieces of luggage, he joined the first African-American community in Paris.

Black boxers like Sam MacVea, "The Colored Globo-trotter," Frank Craig, "The Harlem Coffee Cooler," and Joe Jeanette, who Claude Meunier describes as a "black Adonis" in his book "Ring Noir," had been seeking cultural and economic asylum here since the turn of the century. Jack Johnson's bout with Battling Jim Johnson in L'Elysée Montmartre in December, 1913, was the first between two black boxers for the heavyweight title.

Proud, sophisticated, in the fast lane, witty, a dancer, Johnson flaunted high-society white mistresses, a diamond-studded cane, flashy cars, fat cigars and custom-made clothes. He was white America's nightmare come alive. As he told the French press, "They want my scalp over there."

He rented a furnished villa in Neuilly, an expensive suburb of Paris, trained at the Pelican Boxing Club, was a fixture in the cabarets and music halls of Pigalle and walked his pet leopard while drinking champagne. He became the token Noble Savage of the Montmartre literary set including Colette, Blaise Cendrars, Guillaume Apollinaire and Jean Cocteau. In the notes accompanying his album "Jack Johnson," Miles Davis says: "Johnson portrayed freedom — it rang just as loud as the bell proclaiming him champion."

Black jazzmen first came to France during World War I. His commanding officer called James Reese Europe's New York black regiment band The Hellfighters "the best damn brass band in the U.S. Army." A listener described Lieutenant Will Vodery's band as "the jazziest, craziest, best-looking outfit in France." Lieutenant Tim Brynner's 350th Artillery Corps "Seventy Black Devils" played during the peace conference.

After the armistice, Arthur Briggs, Bill Coleman and Sidney Bechet integrated into French society. Coleman Hawkins became a Continental hero. Condescended to in the States, their music was considered an art form and their color was more an advantage than a handicap. Kenny Drew settled in Copenhagen after World War II. Ben Webster put down roots in Amsterdam. Benny Bailey went on staff with a German radio/TV band. Art Farmer moved to Vienna, Kenny Clarke to the Parisian suburb of Montreuil. Johnny Griffin purchased a chateau near Poliers. This major chapter in jazz history has been portrayed in many magazine articles, books (Chris Goddard's "Jazz Away From Home") and Bertrand Tavernier's film "Round Midnight."

Freedom attracted artists in other disciplines — the writers Richard Wright and Chester Himes, the painters Beauford Delaney and Henry Ossawa Tanner, the poet Ted Jones, the photographer/poet Hart Leroy Bibbs. The bluesman Memphis Slim roamed around Paris in his Rolls-Royce. Which brings us to an overlooked episode starring Aaron Thibeaux, a.k.a. T-Bone Walker.

Born in Texas in 1910, T-Bone played barjo with Cab Calloway in the 1930s. One of the first musicians to use an electrically amplified guitar, he played it with his teeth, behind his back, while jumping in the air or landing in a split. Muddy Waters called him "The Daddy." B. B. King

Black Americans Abroad: The Full Circle

By Mike Zwerin International Herald Tribune

PARIS — Jack Johnson became heavyweight champion by defeating the "Great White Hope," Jim Jeffries, in Reno, Nevada, on July 4, 1910. According to the New York Herald of July 8, the mayors of New York, Philadelphia and Pittsburgh banned publication of pictures of the fight. The mayor of Atlanta warned Johnson that it was "wise to keep away." The headline read: "Authorities in Washington Give Timely Warning Against Possible Incident to Race Rioting, Boxer Will Tour Europe."



Robin Hemingway with a photograph of Aaron Thibeaux, a.k.a. T-Bone Walker.

says he's still trying to play like T-Bone. He recorded the definitive version of "Stormy Monday Blues." Elvis Presley's early stage act was a carbon copy of T-Bone. In the '40s and '50s T-Bone was a major touring attraction on the "chitlin' circuit." But he drank and continued to drink after an ulcer operation. He was blowing it.

Like so many others, he was blown-away by a warm French welcome, but the blues were not a fad in Saint-Germain-des-Près when he arrived in 1968. T-Bone found himself working dives for cigarette and whiskey money. His splits were cautious now.

Leaving London for Paris to record the pianist Joe Turner in May, 1968, the producer/singer/manager Robin Hemingway, a 28-year-old Ivy-League suit-and-tie type with street smarts who thought he knew who and what was happening where, was amazed when Jim Hendrix told him T-Bone Walker was in Paris. Hemingway had been signed by The Beatles to produce for Apple Records. He also handled "a whole bunch of weird artists with unlikely names" for EMI and others. Polydor sent him to Paris with a one-way ticket.

He arrived smack dab in the middle of what he calls a "riotous." Paris was awash with tear gas, flying cobblestones and students spouting left-wing rhetoric. Offices and studios were closed, banks were closed, he was broke. He asked Leroy Haynes, who ran a soul-food restaurant in Pigalle, if he perchance needed a chef. Luck would have it. Hemingway spent the riotous cooking soul food at night and running around hustling bands during the day. He had learned to cook in his father's restaurant in Boston and has always been, and he quotes the French: "Entre la bouffe et le blues."

Tracking down T-Bone, he produced an album called

"Good Feelin'" on a shoestring. To general astonishment, it won a Grammy award in the ethnic category. Polygram was not programmed to promote such a product. Although neither of them cashed in, T-Bone remained optimistic. "The way it works, Hemingway," he said, "you're my pimp and I'm your whore. I'll be the best whore you ever had and you be the best pimp I ever had, O. K.?"

There was a "comeback" engagement at the Montreux Jazz Festival and prestigious (seasonal) concerts. But "Very Rare," a double-album with a \$250,000 budget produced by Jerry Leiber and Mike Stoller and featuring guest artists like Dizzy Gillespie and Gerry Mulligan sold, Hemingway estimates, 500 copies. Nevertheless, T-Bone's price went from \$1,500 a week to \$9,000 a concert until, after losing half his stomach, he kept right on drinking anyway and died in 1975 in a Los Angeles nursing home.

Robin Hemingway produced a recording for Earth, Wind and Fire, served as a TV producer for Sargent Shriver, and as a "Consultant, Black Market Promotion" for the film "Saturday Night Fever." More recently, he opened the popular bistro Cafe Hemingway on Potemkianstrasse, the only place in Berlin where you could hear the blues and eat soul food. ("The ghost of Leroy Haynes," he laughs.) He lost it due to escalating post-Wall rents.

A few months ago, a friend spotted him pasting posters advertising his blues band on Parisian walls one cold and windy night. It hit him that the happy-ever-after African-American in Europe chapter is closed.

Now back in Berlin negotiating financing for a new cafe, Hemingway finds it sad and ironic that a movement founded on freedom has come to the point where a black American walks the streets in fear of being mistaken for, well, one of "them."

In Beverly Hills, The Stars' Hotel Closes to Retool

BEVERLY HILLS, California — The Beverly Hills Hotel closes its doors next week for a two-year, \$100 million facelift. Regulars at the hotel's Polo Lounge fear their favorite spot may become passé by the time it opens again, and its employees fear they will never see their jobs again.

The hotel, noted for its Hollywood clientele, opened 80 years ago. The current owner is the Sultan of Brunei, who bought it in 1987 for an estimated \$185 million. Its telephone wiring and plumbing are outdated.

With every winter storm, the Polo Lounge "feels like we're in a rain forest," said a waitress, Betty Hoffman, one of the 450 employees to be dumped. The management has not promised to rehire anyone. "I'm 59," Rosemary Scott, another waitress, said. "I've got a lot of miles left on my feet. Considering the owner is the richest man in the world, we're getting very small severance."

WEATHER

Table with weather forecasts for Europe, North America, Middle East, and Latin America. Columns include region, today's high/low, and tomorrow's high/low.

CROSSWORD

Crossword puzzle grid with clues for Across and Down. Includes a solution to the puzzle of Dec. 23.

BOOKS

HATS: Status, Style and Glamour. By Colin McDowell. 222 pages. \$50. Rizzoli. Reviewed by Patt Morrison. HATS are the things with feathers, fur, jewels, model shapes — you name it. No less a tyrant of taste than Christian Dior declared, "I consider that without hats, an intrinsic part of fashion, we would have no civilization."

BRIDGE

By Alan Truscott. WOULD you care to play under the table? "No" is the wrong answer, you should be willing to pay \$49.95 for the privilege (\$10 more after Christmas). The money should be sent to Fred Gitelman, 15 Lillian Street, Toronto, Canada M4S2H7.

PEOPLE

Leno Defends Record. As NBC 'Tonight' Host. Jay Leno, getting ahead of rumors that his NBC-TV bosses want to dump him, says he thinks his performance as the host of the "Tonight" show should have more than satisfied the network. Filling the shoes of Johnny Carson less than a year, he said that he did not deserve to be threatened with losing the leading show in late-night U.S. television to David Letterman. "Am I crazy?" Leno said. "The ratings are going up, the advertisers are happy and so are the affiliates." He said he had not received any assurances from NBC that he would not be dropped in favor of Letterman. Jan. 15, the deadline NBC is facing to match a CBS offer to give Letterman about \$16 million to star in a talk show.

Van Cleef & Arpels advertisement featuring jewelry images and the text: 'Van Cleef & Arpels signent vos plus beaux Anniversaires.' Includes contact information for Paris and Geneva.

The Best and Worst of Christmas Carols. A lot of texts are impenetrable. 'The 12 Days of Christmas,' the 'partridge in the pear tree' — every other word is corrupt. So we don't attempt to say what it does mean, but we just throw out a few suggestions: for example, that pear tree is from perdux, the French for partridge. So, a partridge in a partridge.